FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1197034-1

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4-3 (Rev. 4-17-63)

Tolson
Belmont
Mohr
Casper
Callahan
Conrad
DeLoach
Evans
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

DECODED COPY

☐ AIRGRAM ☐ CABLEGRAM ☐ RADIO ☒ TELETYPE

3:43 AM CST DEFERRED 2-27-64 DHM
TO DIRECTOR
FROM CHICAGO 270443

LESLIE EARL KRUSE, AKA, AR. JUNE.
CG 6667-C* DISCONTINUED THIS DATE AT 7:30 PM. ALL BUREAU EQUIPMENT RETRIEVED.

RECEIVED: 4:48 AM EFH

EX-112 REC-26 92-5505-252

MAR 4 1964

cc: Mr. Evans, Mr. [illegible]

ICC D&D

SPEC. MAIL RM.

6 MAR 10 1964

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 4-17-63)

Tolson
Belmont
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Casper
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DeLoach
Evans
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Trotter
Tele. Room
Holmes
Gandy

DECODED COPY

☐ AIRGRAM ☐ CABLEGRAM ☐ RADIO XXX TELETYPE

8:13 AM CST DEFERRED 2-26-64 EH
TO DIRECTOR
FROM CHICAGO 261048

JUNE.

LESLIE EARL KRUSE, AKA. AR. ANTIRACKETEERING

INFORMATION RECEIVED FROM [redacted] INDICATES [redacted] L AND M DISPOSAL ARE GIVING UP LEASE ON OFFICE AT ROOM 758, 221 NORTH LA SALLE STREET, CHICAGO. THIS INFORMATION BORNE OUT BY CG 6667-C* WHICH INDICATES NO ACTIVITY AT SOURCE. ENTRY WILL BE MADE TOMORROW EVENING AT CLOSE OF BUSINESS TO REMOVE BUREAU EQUIPMENT UNDER FULL SECURITY. UACB.

RECEIVED: 9:19 AM RTS

b6
b7C
b7D

CC: MR. EVANS
Mr. Sullivan
Mr. Daniels

EX-113

REC-53

92-5505-253

22 MAR 6 1964

6 MAR 10 1964

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-528

92-5505-254, 255, 256, 257

CHANGED TO

92-7288-2X, 3X, 3X1, 5

JUN 11 1964

MT-DB1

1 - Electronics Section
Laboratory 4/16/64

9[illegible]-5505 CODE 1 - J. D. Donohue
1 - M. F. Row
1 - [redacted]
1- J. G. Legget

b6
b7C

RADIOGRAM URGENT

TO SAC LITTLE ROCK JUNE

FROM DIRECTOR FBI

RALPH PIERCE, AKA., AR. LESLIE EARL KRUSE, AKA. AR.

REURTEL APRIL FIFTEEN LAST.

PROVIDED FULL SECURITY ASSURED, AUTHORITY GRANTED TO CONDUCT SURVEYS AND, IF FEASIBLE, INSTALL MISUR COVERAGE OF RALPH PIERCE AT THE MAJESTIC HOTEL, HOT SPRINGS, AND LESLIE KRUSE AT THE ARLINGTON HOTEL. PROMPTLY ADVISE BUREAU WHEN SOURCES ACTIVATED AND SYMBOL NUMBERS ASSIGNED. THIS AUTHORITY IS FOR A THIRTY-DAY PERIOD FROM DATE SOURCE IS ACTIVATED.

JEK:rap
(9)

NOTE: Ralph Pierce and Leslie Kruse are two well-established leaders of the Chicago hoodlum hierarchy. CGO has determined both Pierce and Kruse are contemplating traveling to Hot Springs on 4/20/64. It is noted that political pressure has been applied by the Governor of Arkansas to Hot Springs on gamblers to discontinue gambling at the present time. The purpose of Pierce and Kruse's contemplated travel to Hot Springs is unknown. Misur coverage of these individuals could possibly produce significant criminal intelligence information. In view of this excellent potential, recommend LRO's request to install misur coverage be authorized.

DUPLICATE YELLOW OF
MESSAGE TRANSMITTED

ORIGINAL FILED IN 92-3830-202

6 MAY 4 1964

4-3 (Rev. 4-17-63)

NR 4 1 1964

M Donahue

Tolson
Belmont
Mohr
Casper
Callahan
Conrad
DeLoach ✓
Evans ✓
Gale
Rosen
Sullivan ✓
Tavel
Trotter
Tele. Room
Holmes
Gandy

DECODED COPY

☐ AIRGRAM ☐ CABLEGRAM ☐ RADIO ☒ TELETYPE

3:07 PM CST URGENT 4-15-64 VG
TO DIRECTOR NEW YORK NEWARK AND CHICAGO
FROM NEW YORK VIA WASHINGTON ENCODED
FROM LITTLE ROCK 151937

RALPH PIERCE, AKA. AR. LESLIE EARL KRUSE, AKA. AR.

DURING CIP CONFERENCE, CHICAGO, DETERMINED THAT RALPH PIERCE AND LESLIE EARL KRUSE, BOTH FROM CHICAGO, WILL PROCEED TO HOT SPRINGS, ARKANSAS, ON APRIL 20 NEXT. AS GENE CATENA AND [redacted] OF SOUTH ORANGE, NEW JERSEY, [redacted] AND [redacted] OF NEW YORK, AND [redacted] ARE ALREADY IN HOT SPRINGS, NEW YORK AND NEWARK, AND CHICAGO FURNISH ANY INFORMATION INDICATING MEETING POSSIBLY PREARRANGED AT HOT SPRINGS.

PIERCE NORMALLY STAYS AT MAJESTIC HOTEL ON TRIPS TO HOT SPRINGS, WHEREAS KRUSE NORMALLY STAYS AT ARLINGTON, AND INDIVIDUALS MENTIONED ABOVE PRESENTLY RESIDING ARLINGTON. HIGHLY CONFIDENTIAL SOURCE IN OPERATION AT ARLINGTON.

BUREAU AUTHORITY REQUESTED TO CONDUCT SURVEY MAJESTIC HOTEL AND TO INSTALL MICROPHONE SURVEILLANCE IF ADEQUATE SECURITY ASSURED. FURNISH LITTLE ROCK OFFICE IMMEDIATELY WITH TWO WASPS ON DIFFERENT FREQUENCY IF POSSIBLE AS WELL AS ONE VEGA RECEIVER. PLEASE SEND THESE ITEMS DIRECT TO HOT SPRINGS RESIDENT AGENCY, POST OFFICE BOX 788, HOT SPRINGS, ARKANSAS.

RECEIVED: 4:18 PM RDR

b6
b7C

ORIGINAL FILED IN 92-3867-2

CC-MW Conrad

92-5551-

NOT RECORDED
145 APR 27 1964

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

7-66 (Rev. 6-13-57)

April 16, 1964

Special Agent in Charge, Little Rock 1 - [redacted] 6 -

b6
b7C

Re: RALPH PIERCE, AKA. AR
LESLIE EARL KRUSE, AKA. AR

Dear Sir:

The following concerns the technical equipment of your office:

Reurtel 4/15/64 requesting technical equipment for use in captioned case.

One Vega Receiver, Serial Number 1202 and two WASP units were forwarded on 4/16/64 by Registered Airmail to the Hot Springs Resident Agency.

Shipment of the above equipment does not constitute authority to use. Your request for Bureau authorization to install equipment in this case is being handled separately.

The Vega Receiver and WASP units should be promptly returned to the Bureau when no longer required in captioned case.

NOTE: Original of incoming routed to Special Investigative Division for reply.

MAILED 5
APR 16 1964
COMM-FBI

1 92-5505
NOT RECORDED
145 APR 23 1964

NOT RECORDED
11 APR 22 1964

Tolson
Belmont
Mohr
Casper
Callahan
Conrad
DeLoach
Evans
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

WWB:ssm (6)

Very truly yours,

John Edgar Hoover
Director

APR 30 1964

MAIL ROOM ☑ TELETYPE UNIT ☐

ORIGINAL FILED IN 94-1-32017

5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	6/8/64	2/11 - 5/27/64

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] TYPED BY: glp

b6
b7C

CHARACTER OF CASE

AR

REFERENCE: Report of SA [redacted] dated 2/25/64 at Chicago.

- P -

ENCLOSURES

TO THE BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memorandum setting forth a characterization of informants.

LEADS

MIAMI

AT LAKE WORTH, FLORIDA. Will continue to follow KRUSE's activities in the area of his residence at Lake Worth.

- A -

COVER PAGE

APPROVED VVI SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-258 REC-20

16 JUN 11 1964

COPIES MADE:

(3 - Bureau (92-5505) (~~Encl. 2~~)
1 - USA, Chicago
2 - Miami (92-749)
2 - Chicago (92-1037)

1 - Dept
1 - D+D } 6/24/64

DISSEMINATION RECORD OF ATTACHED REPORT

AGENCY				
REQUEST RECD.				
DATE FWD.				
HOW FWD.				
BY				

NOTATIONS

SEAT RZD STAT. SECT.

U.S. GOVERNMENT PRINTING OFFICE 16—76324-1

CHICAGO

AT CHICAGO, ILLINOIS 1. Will contact stock brokerage of Freehling and Company, 120 South La Salle Street, to determine complete details surrounding KRUSE's purchase of stocks, specifically American Telephone and Telegraph, at this company.

2. Will continue to follow KRUSE's activities and determine additional contacts and associates in Chicago.

ADMINISTRATIVE

[redacted] advised SA JOSEPH G. SHEA on February 28, 1964, as follows: b7D

It was pointed out that this information should be treated in strictest confidence, inasmuch as the informant is the only known source of this information and its misuse might compromise him.

Informant stated that [redacted]

[redacted] b6 b7C b7D

[redacted]

Informant stated [redacted]

[redacted]

[redacted]

b6
b7C
b7D

INFORMANTS

Careful consideration has been given to each source concealed and T symbols were utilized only in those instances where the identity of the source must be concealed.

Source	Identity	Contacting Agent
CG T-1	[redacted]	SA JOSEPH G. SHEA SA WILLIAM A. MEINCKE
CG T-2		SA JOSEPH G. SHEA SA WILLIAM A. MEINCKE
CG T-3		SA [redacted]

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b7D

CG 92-1037

Source	Identity	Contacting Agent
CG T-4	[redacted]	SE [redacted]
CG T-5	PCI [redacted]	SA
CG T-6	[redacted]	SA

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It is noted that multiple T symbols are utilized for the same informant and this is done to further assist in protecting his identity.

COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: CHICAGO b6 b7C
Date: 6/8/64

Field Office File No.: 92-1037 Bureau File No.: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis:

[redacted] furnished considerable information regarding KRUSE's associates, gambling activities, and hangouts. Information set forth regarding KRUSE's travel to New York and Denver, Colorado, and results of long distance telephone calls from Denver also set forth. Information obtained regarding KRUSE's associates and illegal activities. New York advised that KRUSE has American Telephone and Telegraph stock, which at current value is worth over $200,000. KRUSE still attempting to sell Lake Worth, Florida residence. b6 b7C b7D

- P -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

DETAILS:

I. Associates

CG T-1 advised in late March, 1964, that KRUSE was extremely disturbed and aggitated by the fact that "The Outfit" wanted a sizable contribution from him and the others for the defense fund for MARSHALL CIAFANO, FELIX ALDERISIO, JOE GAGLIANO and WILLIE MASSINO. The foregoing are all Chicago hoodlums of considerable repute, who are presently in court for one reason or another.

KRUSE complained that they are always looking for money and that it is money he will never see again. Informant felt that KRUSE would have to contribute, [redacted]

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CG T-2 advised in April, 1964, that he had learned that KRUSE and his close associate, RALPH PIERCE, attended a funeral on April 2, 1964, in the vicinity of 89th Street, in Chicago. They attended the funeral of (FNU) SCHMIDT, who was the head of the Meat and Highway Drivers, Local 710, a teamster affiliated organization. According to the informant, SCHMIDT was drawing a salary of $57,000 with the union up until his death.

CG T-2 advised in April, 1964, that KRUSE and PIERCE have met several times recently [redacted] Informant

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believes that KRUSE is against [redacted], while PIERCE still defends him.

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Date March 5, 1964

[redacted] was contacted at her residence, an apartment at [redacted] telephone number [redacted]. She is moving within the next week to [redacted] resides here [redacted] and is employed on a part-time basis at [redacted].

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[redacted] was first asked whether or not she was acquainted with [redacted], a close associate of LES KRUSE and she stated that [redacted] was a [redacted] years ago. He was tied in with [redacted], who are a Democratic power in the Niles Township area. It is pointed out here that [redacted] is an old time associate of KRUSE's.

[redacted]

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She added that [redacted] was acquainted with [redacted] She said that [redacted] and his wife drive new Pontiac's with Peter Epsteen's Dealer's license on them. She said [redacted] and is self-impressed and although he flashes a big bankroll he has little money.

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On 2/27/64 at [redacted] File # CG 92-1037

by SAs [redacted] and JOHN H. WILMES/phk Date dictated 3/3/64

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] and there was laid the foundation of a long friendship and of a business venture which both have entered into and enjoyed considerable success. She has disliked [redacted] through the years because of his association with GUS ALEX and other hoodlums. [redacted]

PETE met movie actor and singer DEAN MARTIN and others through [redacted] and JOE FISCHETTI a brother of ROCCO FISCHETTI who frequents the Epsteen Pontiac Agency and lives in Skokie. This meeting took place while they were in California to close up a business. From there they decided to go to Las Vegas and it was then that they became acquainted with DEAN MARTIN, FRANK SINATRA and others.

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She said it was through this association which began in this fashion that MARTIN, SINATRA, SAMMY DAVIS, JR. and others participate in the commercials concerning Epsteen which are frequently heard on the radio.

[redacted] said that PETE is seemingly always out of town or in the Loop area attending meetings of some sort, for example she said he is in Mexico at the present time so she concludes that his financial position must be good. She said [redacted]

With regard to RICHARD BERNAS, a neighbor and close associate and handyman for LES KRUSE she said that PETE and [redacted] sometimes used to kid about BERNAS being LES's bodyguard. She said [redacted] and PETE used to be close associates of KRUSE and used to visit in each other's homes.

She is of the opinion that LES KRUSE's main duty to the crime syndicate involved gambling in an advisory and managing capacity. She said that on one occasion [redacted] until they agreed to go to a gambling operation in either southern Cook County or Will County. First they went to the Armory Lounge and then on to the game afterwards. She said they visited this Lounge where they had dinner and she believes that this is a hoodlum hangout. She said that this took place about four years ago and after they arrived there and found LES KRUSE also there and obviously as the operator of the game LES became very upset because they had come. She said that KRUSE's wife was not present at this time and she said KRUSE walked around very apparently in charge of the operation. He was seen to visit the cashier's windows and give the orders to the employees. b6 b7C b7D

She related that Saturdays at the Epsteen Pontiac Agency were referred to as "mafia days". She said LES would come into EPSTEEN's carrying a large sum of money which she was certain were the proceeds of the gambling games and go directly to PETE's office. There he would give a sum of money to ROCCO FISCHETTI and this took place about 10:00 a.m. Also present during these exchanges usually were [redacted] and sometimes PETE. b6 b7C b7D

She said that she used to see GUS ALEX at [redacted] house and considers him refined and nice although she is aware he is a hoodlum and never did care to associate with him. She recalled that on one occasion GUS was at EPSTEEN's with [redacted] and PETE asked him not to bring him around again. It is her opinion that PETE and [redacted] are fascinated with the hoods. But in [redacted] case he grew up with them on Chicago's west side and knows what they are.

She also feels that [redacted] never seemed to know LES KRUSE too well [redacted] and he doubts whether they were even acquainted. b6 b7C b7D

She said that [redacted] does all the book work for PETE's and [redacted] She based this opinion on the fact that PETE never had a large amount of money and [redacted] She said that from the size of the present EPSTEEN operation it is very obvious that a large amount of money has gone into it and is required to keep it at its present level. b6 b7C b7D

She stated that [redacted] She said that his present wife is [redacted] (phonetic). She said that [redacted] is a protege of [redacted] is a strong political figurehead in Skokie. (It is noted that previous investigation indicated that the police sticker which EPSTEEN carries on the windshield of his automobile was furnished to him by [redacted]) b6 b7C b7D

PETE is also a member of the Evanston Country Club where he and [redacted] occasionally meet and play golf. She said [redacted], also a member, played a large part in preventing the country club from being taken over by a move to split it up into a residential area.

With reference to the EPSTEEN agency she stated that [redacted] is [redacted] Also that [redacted] a nickname for [redacted] last name unknown, is [redacted] is [redacted] and so far as she is concerned is not trustworthy. PETE's [redacted] is [redacted] (phonetic), age approximately forty and lives with her parents in Skokie. [redacted] first name [redacted], is married, very pleasant, and has been there for approximately [redacted] years. She got fired during the divorce proceedings between PETE EPSTEEN and [redacted] apparently because she was overly friendly with [redacted] and was rehired later. b6 b7C b7D

She said that she is almost positive that [redacted] draws a salary from the company and she feels that this must be due to his political clout and that he is connected with the evil influence which surrounds the EPSTEEN agency.

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Also one [redacted] who was formerly [redacted] for the company, was fired for an unknown reason. She did not know whether [redacted] would be cooperative during the course of an interview or not.

In addition [redacted]

She also met Las Vegas gambler [redacted] through LES KRUSE and [redacted] She said that [redacted] was a very close associate of KRUSE and is aware that [redacted] is now an active gambling figure in Las Vegas.

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[redacted]

She said that she felt quite positive that this meeting was a large scale Chicago hoodlum gathering and was not merely coincidental.

With further reference to KRUSE she said that "he is so tight he squeeks" and she feels that he would have no associates that would not pay for his meals etc.

She also became aware that with regard to the Midwest Bank which was set up by [redacted] has a questionable origin and operation. She said that PETE is a director of the bank but that this is merely for prestige and that he is not an active participant of the board there. She stated that KRUSE [redacted]

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however she would be glad to do so if she would come in contact with any other information of value to this office.

II. Legitimate Enterprises

CG T-1 advised in March, 1964, that the Nu-Way Plumbing Company, operated by KRUSE, has a contract with the city of Chicago and the United States Government in connection with pipe being laid in the Oak Street and Lake Shore Drive project. Informant stated that KRUSE commented that HENRY ORTH, who operates Nu-Way Plumbing Company for KRUSE, had again made a bad estimate regarding this contract.

III. Illegitimate Activities

CG T-3 advised that KRUSE was frequently seen in the company of a Jewish gambler named [redacted] at the H & H Restaurant.

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He said KRUSE and PIERCE have been partners in a number of ventures for many years, and that KRUSE's principal activity for the "Outfit" is the operation of large gambling houses. He said this is KRUSE's specialty and he is quite proficient in setting these games up and operating them

He advised that a number of years ago, KRUSE, PIERCE, and MURRAY HUMPHREYS were partners with the now deceased Chicago hoodlum, SAM "GOLF BAG" HUNT. He advised that HUNT was an avid horse player, and on one occasion, was told by PAUL RICCA that if he did not stop his horse playing, he, HUNT, would be killed. He advised that PIERCE is also an avid horse player , and although he has been in the "Outfit" for a number of years, it was not until the last six years or so that PIERCE became wealthy. He advised that PIERCE is a partner with KRUSE in the

ownership of the L & M Disposal Service, operated by [redacted] He advised that KRUSE, together with [redacted] used to own the Crossroads Restaurant at State and Van Buren Streets, in Chicago.

On May 21, 1964, Sheriff CHARLES LARSON, Lake County, Waukegan, Illinois, advised SA [redacted] [redacted] as follows:

About ten days ago he received an anonymous telephone call from a woman who charged gambling equipment was being moved into the Riverwoods Country Club just west of Deerfield, Illinois. He doubted this information, but kept it in mind.

On May 21, 1964, he received a telephone call from one [redacted] who described himself as an [redacted] said he was going to run a story on the syndicate take-over of the above club. LARSON advised him he should be sure of his facts.

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In view of the above, LARSON decided he had better go to the club directly and ask some questions. He did on the morning of May 21, 1964, and met [redacted] whom he learned was [redacted] who lives in [redacted] near the lake, and who is supposed to be [redacted] Also there was [redacted] whose name he did not get, but was Italian and who claimed to know [redacted] Both denied any syndicate connections, or gambling intentions. LARSON viewed the membership list and saw no names that meant anything to him, crime-wise. He established to his satisfaction that the "gaming equipment" was vending machines moved in at about that time. He was offered and took a complete tour of the place. [redacted] said his financing was through Chicago banks, the same unnamed. He claimed a family coporation.

LARSON named off all of the syndicate hoodlums names that came to mind, including LESTER KRUSE and ROSS PRIO. [redacted] denied knowledge of any, except [redacted] knew KRUSE and LARSON said there is no doubt but that both he and [redacted] were talking of the same KRUSE, and that [redacted] knows what his reputation is. [redacted] said KRUSE's company had installed beer cooling system and indicated it was an improved process. LARSON asked 'why KRUSE," and received the answer that "he was in that business."

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While LARSON was there a neighbor lady called [redacted] to report she had just received a telephone call from the "Chicago American", asking her how she liked living by a syndicate controlled and frequented place. She was a friend of [redacted], and called to warn him and "to express indignation" at the "Chicago American", as LARSON got it.

LARSON's attitude was that he had pretty well established to his satisfaction that there was no syndicate control of Riverwoods.

IV. TRAVEL

CG T-2 advised in March, 1964, that KRUSE intends to proceed to Florida on March 7, 1964, having obtained flight tickets at the Merchandise Mart. Informant speculated that KRUSE was leaving town because one of his gambling operations was about to open, and he considered it highly possible that this had to do with the proposed opening of the new game at Highwood, Illinois.

CG T-1 advised in early March, 1964, that KRUSE plans to leave for Denver, Colorado, on March 25, 1964, and will take the Burlington train, accompanied

by his wife, ELSIE and [redacted] KRUSE expects to return to Chicago on March 30, 1964. It is expected that KRUSE will meet [redacted] in Denver.

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CG T-1 advised in late March, 1964, that KRUSE left for Denver as planned on March 25, 1964. He said KRUSE stayed at the Denver Hilton Hotel, under his own name. Informant said that he had learned from a close associate of KRUSE that [redacted] of the Highwood, Illinois, gambling operation, were trying to get ahold of KRUSE for help regarding the raid conducted by the State Police after the FBI had provided the warrant.

CG T-2 advised in early April, 1964, that KRUSE's wife returned from California, where she was visiting her family until April 8, 1964. KRUSE has indicated that he is contemplating leaving in about ten days for Hot Springs, Arkansas, and may be accompanied by RALPH PIERCE. KRUSE has exhibited a great deal of interest in the possibility of legalized gambling in the Hot Springs, Arkansas area, and this is probably the reason for his trip.

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[redacted] Hilton Hotel, Denver, Colorado, advised SA WILLIAM J. MALONE on March 27, 1964, that KRUSE, his wife, [redacted] were checked in at the Denver Hilton on March 26, 1964, in rooms 1522 and 1523, and that the registration card indicated that they planned to leave Denver on March 30, 1964.

He stated that this hotel registration card indicated that KRUSE made the Denver Hilton Hotel reservation on March 12, 1964, through the Hilton Hotel in Chicago, Illinois. He stated Mr. L. KRUSE's registration card disclosed his residence as 256 Oakton, Skokie, Illinois.

[redacted] advised on April 1, 1964, his records reflect that KRUSE checked out of the Denver Hilton Hotel with his family on March 30, 1964, and made the following telephone calls on March 28, 1964, while residing at the Hilton Hotel:

To	Number Called	Time	Charge
Chicago, Illinois	[redacted]	9:30 p.m.	$1.35
Reseda, California		1:10 a.m.	.75
Chicago, Illinois	OR 5-4376	4:53 p.m.	2.35

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[redacted] on April 1, 1964, advised that a check of his records of current and past registrations for the months of May and June, 1963, failed to indicate an EDWARD VOGEL and [redacted] of the Chicago, Illinois area, had checked in at this hotel.

On April 10, 1964, CG T-4 advised that telephone number [redacted] is subscribed to by [redacted], and this service was installed on June 19, 1961.

The records of the Retail Merchants Credit Association, as checked on April 16, 1964, by IC [redacted] contained information that [redacted] previously resided at [redacted], and that she was [redacted] years of age in 1960, and she was divorced from [redacted]

As of March, 1960, [redacted] was employed as a waitress at [redacted]. In previous investigation at Los Angeles, California, it was determined that MARY FLEIG, Unit No. 2, Reseda Mobile Homes, 6545 Wilbur Avenue, Reseda, California, was interviewed and advised that KRUSE is her son-in-law. She stated that KRUSE is married to her daughter, ELSIE, who formerly used the name of BONNIE in show business, years ago. At this time, Mrs. FLEIG advised that she has four daughters and presently resides with [redacted]

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CG T-1 advised in mid April, 1964, that KRUSE and PIERCE are making plans to go to Hot Springs, Arkansas, about April 20, 1964. KRUSE planned to stay at the Arlington Hotel in Hot Springs, and PIERCE in the Majestic Hotel.

V. GAMBLING

On March 19, 1964, CG T-5 advised that several years ago GUS LIEBE ran one of the largest gambling operations in Cicero, Illinois, which included crap games, card games, and several other gambling type operations. These operations were bank rolled by seven big hoodlums in Chicago, with each one contributing $10,000 a night. He recalls four of the individuals doing the bank rolling as TONY ACCARDO, ROCCO FISCHETTI, LES KRUSE, and JOEY AIUPPA.

VI. FLORIDA, RESIDENCE

On March 5, 1964, JAMES FIORE, caretaker for KRUSE's residence at 1902 Notre Dame Drive, Lake Worth, Florida, advised SA RICHARD B. KELLOG that KRUSE still

has no buyers for his house, but still has a couple of good prospects. He said it was hoped they could sell the house and the lots on which it sets to one party and the other lots on which the swimming pool is located to another party, and in that way they can get somewhere near the money KRUSE wants out of the property. FIORE, although he usually says he wished KRUSE would sell the house so he could return to Chicago, mentioned on this occasion he wished KRUSE would move his family into the house so he could go back to Chicago. FIORE indicated KRUSE might like to retire to his home in Lake Worth, but KRUSE's wife was in favor of not doing so, because she is not fond of the Palm Beach County area.

The following information was furnished by CG T-6 on February 14, 1964, to SA [redacted]

Informant said that he had had no contact with KRUSE in some time. He did not know whether or not KRUSE had traveled outside of the United States recently. He said he had learned the name of the Hispanol Hotel in Santa Domingo had not been changed to the Pan-American, as previously recorded. He learned that there is a small scale gambling operation now being operated in the Hispanol Hotel by the three Cubans, previously identified as [redacted] He said that KRUSE had indicated a dislike for these Cubans, and wanted nothing to do with them. He gathered from KRUSE's conversations, that the gambling equipment which KRUSE had intended to use in the Dominican Republic, had been sent to Las Vegas, Nevada.

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On March 19, 1964, [redacted] advised SA KELLOGG that to his knowledge, KRUSE has not been in Florida since he was last reported here by the Miami Office.

He said, however, that JAMES FIORE, caretaker of KRUSE's residence, has been for the past few days giving the house the sort of cleaning he usually does when he is expecting KRUSE to arrive. [redacted] pointed out that FIORE might be cleaning up because they are expecting a prospective purchaser for the house. b6 b7C

During the afternoon of April 7, 1964, SA RICHARD B. KELLOGG observed at the pool at the subject's residence in Lake Worth, Florida, a white female and a child, not further described. At that same time, JAMES FIORE, caretaker at that residence, was engaged in conversation and said they were some people "from up the street". He indicated he did not believe they presently have one good prospect for the purchase of the KRUSE residence in Lake Worth.

On April 9, 1964, [redacted] advised he did not know who they are, but a woman and two small children are visiting with FIORE at the KRUSE residence in Lake Worth. He said FIORE went to Miami to pick them up during the previous weekend and the only thing FIORE has said about them is that they are friends of [redacted] from Chicago. [redacted] FIORE did not mention the child's name, but [redacted] observed the child appeared to be of Latin derivation. [redacted] said he believed this is the same woman and the same child who visited with FIORE some time about a year ago, but added he is certain she is not identical with the woman who was staying in Palm Beach and visiting at the KRUSE residence with her child when KRUSE was in Florida. He said as he recalled it when this woman and her children were there last year, Mr. KRUSE or no one else was there except FIORE and he had seen no one other than her and her children during instant visit. b6 b7C b7D

On March 18, 1964, CG T-6 advised SA [redacted] he has had no further contact with subject and no information concerning any travel to the islands by subject. He said [redacted] b6 b7C b7D

VII. INVESTMENTS

The following investigation was conducted by the New York Office upon a request from the Chicago Office to recheck the American Telephone and Telegraph office in Chicago for additional investments in that company by KRUSE, and to determine who guaranteed the signatures on the securities.

[redacted] Stocks and Bond Division, American Telephone and Telegraph (AT & T) Company, 50 Varick Street, New York City, advised on April 13, 1964, that the account of LESLIE T. KRUSE and Mrs. ELSIE R. KRUSE contains 1260 shares. The account of [redacted] and Mrs. ELSIE R. KRUSE contains 235 shares. There has been no activity in either account since 1961.

She advised that the accounts of [redacted] and Mrs. ELSIE R. KRUSE and that of [redacted] and Mrs. ELSIE R. KRUSE were closed on February 10, 1964. She further advised that they have an account for ANNA L. KRUSE and FREDERICK J. KRUSE, which was opened June 1, 1951, and contains 284 shares. These individuals reside at 1310 Little John Drive, Elgin, Illinois. b6 b7C

[redacted] Investigations, AT & T, 315 Park Avenue South, New York City, advised on April 13, 1964, that the following certificates had

been sold in the account of [redacted] and Mrs. ELSIE R. KRUSE:

Certificate Number	Shares
039273	30
021434	20
357243	7
043734	114
002125	10
017375	20
123070	20
100063	14

The following certificates had been sold in the account of [redacted] and Mrs. ELSIE R. KRUSE:

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Certificate Number	Shares
087820	30
021433	20
357246	7
043736	114
002127	10
017376	20
123071	20
100065	14

She advised that these certificates are in the company's Chicago Office and that she would ascertain the individual or company who guaranteed the signatures on these stocks.

[redacted] advised on April 16, 1964, that the firm guaranteeing the signatures on the above stocks was Freehling and Company, 120 South La Salle Street, Chicago Illinois.

[redacted] employee of Walston and Company, stock brokerage, 120 South La Salle Street, Chicago, advised on June 1, 1964, that as of that date the value of 1500 shares of AT & T stock amounted to over $200,000.

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FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

June 4, 1964

In Reply, Please Refer to File No.

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
June 4, 1964

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference [redacted] is made to report of Special Agent [redacted] dated and captioned as above.

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CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual who is acquainted with Leslie Kruse and his activities as they pertain to gambling and his association with other hoodlums in Chicago.

Chicago T-2 is a person who through his acquaintances is well versed on the activities of Kruse and his family, as well as Kruse's traveling habits.

Chicago T-3 is a person who by virtue of his employment and associates, is acquainted with Kruse and many other top Chicago hoodlums and their activities.

Chicago T-4 is a person who by virtue of his employment, is in a position to furnish information regarding telephone information in the Los Angeles, California Area.

Chicago T-5 is a person who by virtue of his habits and associates, is able to furnish information regarding Kruse on occasion.

Chicago T-6 is an individual who by virtue of him employment, regularly comes into contact with Kruse and other questionable persons, and can furnish some information about them.

This document contains neither recommendations nor conclusions of the Federal Bureau of Investigation. It is the property of the Federal Bureau of Investigation and is loaned to your agency; it and its contents are not to be distributed outside your agency.

SAC, Little Rock

6/1/64

Director, FBI

JUNE

1 - J. D. Donohue
1 - [redacted]

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RALPH PIERCE, aka.
AR

LESLIE EARL KRUSE, aka.
AR

ReBumad 4/16/64.

Authority granted in rerad to install misur coverage on Ralph Pierce at the Majestic Hotel, Hot Springs, Arkansas, and Leslie Earl Kruse at the Arlington Hotel, Hot Springs, is hereby rescinded since there is no indication that these individuals contemplate a visit to Hot Springs in the immediate future. In the event information is developed that these two racket figures plan to visit Hot Springs, you may resubmit your recommendations.

NOTE: No indication above two Chicago hoodlums contemplate visiting Hot Springs in the immediate future.

JEK:rap
(7)

ORIGINAL FILED IN

92-5506
NOT RECORDED
145 JUN 3 1964

DUPLICATE YELLOW

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106-03

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-5505) DATE: 11/6/64

FROM : SAC, CHICAGO (92-1037)

SUBJECT: LESLIE EARL KRUSE, aka.
AR

Re report of SA [redacted] dated 8/3/64, at Chicago.

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Enclosed for the Bureau and Miami are appropriate copies of a form FD 302 containing an interview of [redacted] This interview form should be considered as page 15 of referenced report.

Chicago will furnish the United States Attorney, Chicago, with a copy, and also correct the Chicago copies. Appropriate errors scored.

2 - Bureau (Encl 3)
2 - Miami (Encl 2) (92-749)
2 - Chicago
EWA/bal
(6)

6 ENCLOSURES DETACHED 11-17-64 mb

92-5505

NOT RECORDED
25 NOV 9 1964

FEDERAL BUREAU OF INVESTIGATION

NOV 13 1 23 PM '64
FBI
RECD - CHICAGO

FD-263 (Rev. 5-4-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	8/3/64	5/28-7/27/64

TITLE OF CASE

LESLIE EARL KRUSE

REPORT MADE BY: SA [redacted] TYPED BY: BAS

CHARACTER OF CASE

ANTI-RACKETEERING

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REFERENCE: Report of SA [redacted] dated 6/8/64 at Chicago.

- P -

ENCLOSURES

TO THE BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memorandum setting forth a characterization of informants.

LEADS

MIAMI

AT LAKE WORTH, FLORIDA. Will continue to follow KRUSE's activities in the area of his residence at Lake Worth.

- A -

COVER PAGE

APPROVED: [redacted] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-6505-259

REC-53

4 AUG 5 1964

COPIES MADE:

(3) - Bureau (92-5505) ~~(Enc. 2)~~
1 - USA, Chicago
2 - Miami (92-749)
2 - Chicago (92-1037)

DISSEMINATION RECORD OF ATTACHED REPORT

AGENCY	1-Bureau	8-19-64		
REQUEST RECD.	1-Miami			
DATE FWD.				
HOW FWD.				
BY				

64 AUG 31 1964

NOTATIONS

NINE STATE STATUS

TAMPA

U.S. GOVERNMENT PRINTING OFFICE 16—76324-1

CG 92-1037

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow KRUSE's activities and determine additional associates and financial investments in Chicago.

ADMINISTRATIVE

On May 8, 1964, [redacted] advised SA [redacted] had received a telephone call from [redacted]

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On June 29, 1964, [redacted] advised that KRUSE was in his office on Friday, June 26, 1964, to arrange for [redacted] said he agreed to handle the matter, but no more action was taken, at that time, so he does not know any of the particulars. He said he believed it is [redacted]

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[redacted] will follow this matter through appropriate records and it is believed that [redacted] will furnish desired information, not available in the records.

[redacted] requested, however, that information furnished by [redacted] be handled most discreetly, since it is all, or in part, privileged, and he has requested it be so handled.

On July 9, 1964, [redacted] said he had not seen KRUSE since he was last contacted and was rather surprised he had not. He said he would not know if KRUSE's proposed [redacted]

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The following information concerning [redacted] is being set forth on the cover pages because [redacted] requiring the upmost consideration be given to conceal his conversations with SA PAUL B. FRANKFURT:

It is to be noted that [redacted] has been contacted on an infrequent basis since the middle of December, 1963, for the purpose of exploring his informant potential. Since this time, the writer has been in touch with [redacted] and has been with him on several occasions on a strictly social level.

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On Sunday evening, July 12, 1964, the writer and his wife were entertained by the [redacted] at the [redacted] home. It is to be noted that [redacted] resides

COVER PAGE

at [redacted] and has been associated with LESTER KRUSE for many years. It is also to be noted that [redacted] is connected in an official capacity at [redacted]

As the writer entered the driveway of [redacted] it was noticed that a [redacted] It was also determined while at [redacted] residence that the [redacted] It should be noted that the garage door on [redacted] garage is operated by remote control and can be opened from a block away.

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During the course of the evening, [redacted] made mention of the recent passing of ROCCO FISCHETTI and indicated that his name, [redacted] as one of those hoodlums who would mourn the passing of ROCCO FISCHETTI. [redacted] was incensed over the mentioning of his name in such a fashion. He also indicated that ROCCO FISCHETTI was not a millionaire, as alleged in the newspaper article, and that he probably died a relatively poor man. He stated FISCHETTI was a free spender and unable to hang on to the money he made. It was pointed out to [redacted] that FISCHETTI used to bank the crap game at the Viaduct Lounge for a number of years and that on one occasion some $80,000 was confiscated as a result of a gambling raid by local authorities. [redacted] admitted this was true and further commented that [redacted] He also indicated that [redacted]

throughout the Chicago area; however, he ceased this type of activity approximately two years ago. He stated there is practically nothing going on at the present time in the way of big gambling. Mention was made of the recent raid at Highwood, Illinois, and [redacted] denied any knowledge of this game.

Concerning the Villa Venice, [redacted] advised that this place is open mostly for banquets and weddings and large parties, but they have now just begun wo open to the public on Friday and Saturday nights. He indicated with reference to the excitement and amount of interest shown by law enforcement officers at the recent wedding reception of TONY ACCARDO, Jr., at the Villa Venice and stated there were as many as 100 officers and newspaper people on the outside looking over the guests during this affair. [redacted] commented that he has known TONY ACCARDO, Jr., since [redacted] and that he thinks very highly of him. b6 b7C b7D

By way of personal data it was ascertained that [redacted] was born on [redacted] year not ascertained. It was also determined that he has an undisclosed amount of Central and Southwest stock and Milwaukee Power and Light. He allegedly received this stock as a result of the death of a sister who passed away some time ago.

[redacted] admits that [redacted]

[redacted] has been very friendly toward the writer and has spoken in general terms of his role in [redacted] however, at no time has he given any indi-

cation that he would consent to becoming an informant for this office. It is expected that future contacts will be made in an effort to further the relationship with [redacted] in an effort to explore informant potential.

On June 5, 1964, [redacted] was contacted. [redacted] had a meeting on June 3, 1964, with HENRY ORTH, an official of Nu-Way Plumbing Company, which it may be noted is controlled by LESTER "KILLER KANE" KRUSE, well known Chicago hoodlum. [redacted] indicated this official was an elderly man who comes to Chicago every Tuesday and is apparently one of the top people, or at least, in a position to control Teamsters Union funds. [redacted] this person was favorably impressed with [redacted] keep in touch with him on a daily basis, as he expected a decision to be made on this matter within ten days. According to the source, [redacted] is a close business associate of HENRY ORTH and was responsible for setting up

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an interview with ORTH, and was the person who recognized the favorable publicity angle on the Teamsters Union behalf.

Informant further advised he had recently been in touch with [redacted] According to the source, [redacted] has been meeting regularly with RALPH "RED" CIANGI and is having financial dealings with him. It is to be noted that [redacted] has substantiated this information in greater detail.

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[redacted] advised SA WILLIAM L. BAILEY, on June 16, 1964, that he is supposed to talk with HENRY ORTH, Nu-Way Plumbing Company [redacted]

INFORMANTS

Careful consideration has been given to each source concealed, and T symbols were utilized only in those instances where the identity of the source must be concealed.

Source	Identity	Contacting Agent
CG T-1	[redacted]	SA JOSEPH G. SHEA SA WILLIAM A. MEINCKE
CG T-2		SA JOSEPH G. SHEA SA WILLIAM A. MEINCKE
CG T-3		SA JOSEPH G. SHEA SA WILLIAM A. MEINCKE

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CG 92-1037

CG T-4 Former PCI [redacted] SA RICHARD B. KELLOGG

CG T-5 PCI [redacted] SA PAUL B. FRANKFURT

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It is noted that multiple T symbols were utilized for [redacted] which was done to better protect him in view of his close association with KRUSE.

COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago, Illinois
Date: 8/3/64

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

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Synopsis:

KRUSE continues to reside at 5206 Oakton, Skokie, Illinois. There is his wife, ELSIE, suffering from a leg ailment, and his mother, ANNA, who is extremely ill. KRUSE attempting to sell Lake Worth residence and may have potential buyer from Mississippi. Chicago top hoodlum, SAM GIANCANA, singer PHYLLIS MC GUIRE, and KRUSE's caretaker, JAMES FIORE, observed playing golf in Lake Worth, Florida. KRUSE's travels set forth. KRUSE reportedly continuing in attempts to establish gambling on a ship operating between Florida and the Caribbean Islands. KRUSE introduced to stockbroker by [redacted], and on January 10, 1964, bought $36,500, in stock, utilizing cashier checks for purchase.

- P -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1087

DETAILS:

I. Family

Chicago T-1 advised in mid May of 1964, that LESLIE EARL KRUSE returned from Iowa City, Iowa, on a recent Sunday, and that his wife ELSIE then went into the Passavant Hospital due to a blood clot in her leg.

Chicago T-1 advised in late May of 1964, that KRUSE has been somewhat restricted to his home, and the hospital, due to the fact that his wife ELSIE will require an operation on her leg within the next two weeks. KRUSE has hired a Negro maid to help at their Skokie home. Informant stated that about four months ago KRUSE sold a vacant lot adjacent to his home, on Oakton Street; however, he does not know the amount of the sale, or KRUSE's profit.

Chicago T-2 advised in mid June of 1964, that KRUSE has cancelled his plans to go to Hot Springs, Arkansas, and, instead, will proceed to the Mayo Clinic, in Rochester, Minnesota, by July 5, 1964, where his wife, ELSIE, will undergo treatment for a leg condition. The informant stated that KRUSE intends to spend a week at the Mayo Clinic, with his wife.

Chicago T-2 advised in late June of 1964, that ANNA KRUSE, the mother of LESLIE EARL KRUSE, is critically ill, and is not expected to live very long.

According to this informant, KRUSE has recently become afraid to visit public places, for fear of being seen and recognized, which would involve an embarrassing situation, or harrassment of him, by Police Officers.

KRUSE is bored with his quiet existence, but fears embarrassment rather than boredom.

II. Associates

Chicago T-1 advised on May 14, 1964, that KRUSE has been spending a great deal of time with RALPH PIERCE, a Chicago hoodlum, at attorney [redacted] office.

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Informant advised, further, that KRUSE has a new female interest named [redacted] (LNU), who lives off of [redacted]

Chicago T-3 advised during the first week of June, 1964, that KRUSE had returned from Florida, and that [redacted] in Skokie, Illinois, had told this to several people at the agency.

Informant also learned that KRUSE was invited to attend the ACCARDO wedding; however, was not going to attend it. He decided, instead, to attend the reception at the Villa Venice. Apparently a very select group had been invited to the reception and KRUSE was expected to come up with a large gift of money. KRUSE indicated that the reception was a command performance for all of the major hoodlums in the Chicago area.

Chicago T-1 advised in mid June of 1964, that KRUSE attended the ACCARDO reception in the evening, planning to meet some other people enroute to the Villa Venice. KRUSE apparently intended to give ACCARDO, Jr. $500 as a wedding gift. Informant learned from KRUSE that FELIX "MILWAUKEE PHIL" ALDERISIO gave the bride and groom two one-thousand dollar bills as a wedding gift. KRUSE considers ALDERISIO to be a "real psycho". KRUSE stated ALDERISIO used to look up to individuals such as PIERCE and himself, but now believes himself to be better than they are.

Chicago T-2 advised in June of 1964, that KRUSE appears to be frequently discussing United States Judges, and one of their statements was as follows: "if the "G" O.K. [redacted] they will O.K. anyone." It is noted that Judge [redacted] is a relatively recent appointment to the Federal Bench in Chicago, and resides in the same building, as does, Chicago hoodlum attorney, [redacted]

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Chicago T-3 advised in early July of 1964, that KRUSE would not depart for New York City to attend the funeral of MOCCO FISCHETTI, as he had planned. For some reason, KRUSE now feels that FISCHETTI has not been the true and loyal friend, which has been the case for years, and the informant believes that some disagreement obviously had occurred, within the recent past, creating a rift between FISCHETTI and KRUSE.

III. Florida Residence

— On May 27, 1964, JAMES FIORE, caretaker at subject's residence, 1932 Notre Dame Boulevard, Lake Worth, Florida, advised SA RICHARD B. KELLOGG he hoped to get back to Chicago, Illinois, this year. He said they had "a couple of" real good prospects on the house and mentioned that KRUSE might sell the house and keep the lot next to it on which the swimming pool is located and build a house on that lot. When asked if the building of the house on that lot was in order to make the lot easier to sell, FIORE answered that what KRUSE had in mind was having a house there to which he might retire "if you guys ever get through with him." He said the Government should have about everything they want by now since nothing is going on.

When SA KELLOGG commented that KRUSE had not been in Lake Worth, Florida, for some time, FIORE said it had been a couple of months, but KRUSE would probably drop in soon to

pay some bills. FIORE added that "you guys" do not have to worry as there will be no strangers around there.

The following investigation was conducted by SA RICHARD B. KELLOGG:

On June 1, 1964, [redacted] advised that on May 30, 1964, JAMES FIORE, caretaker at subject's residence, 1902 Notre Dame Boulevard, Lake Worth, Florida, had advised him he was expecting subject there since they had a good prospect for the sale of that house, which prospect was apparently interested only in the house and the lots on which the house sits and not in the lots adjacent thereto where the swimming pool is located. [redacted] said he had observed KRUSE at 1902 Notre Dame Boulevard, Lake Worth, Florida, on June 1, 1964, and believed FIORE had gone to Miami, Florida, after KRUSE on May 31, 1964.

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Spot checks at 1902 Notre Dame Boulevard, Lake Worth, Florida, during the evening of June 1, 1964, revealed no automobile, lights, or activity at that residence. At 10:50 p.m. on June 1, 1964, FIORE's car was observed at that address and a white male, not further identified, was observed in the kitchen. During the early afternoon of June 2, 1964, subject was observed by SA KELLOGG sunning near the pool at above residence. At 5:00 p.m., FIORE was observed to drive to the area of 19th Street and North Dixie Highway in Lake Worth, Florida, and make a telephone call from a pay telephone there. He then returned to above residence. Spot checks at that residence during June 3, June 4, and June 5, of 1964, revealed the presence there of FIORE and his automobile but did not indicate the presence of subject.

On June 5, 1964, [redacted] advised that [redacted] that night. He said KRUSE indicated that [redacted] who had been somewhat of a disappointment, was coming home from school for a couple of weeks and KRUSE wanted to be there to try to get the boy straightened out and interested in accomplishing something along the lines of education. [redacted] said he asked KRUSE if he had been successful in selling his house, and KRUSE answered in the negative, indicating he could not get together with the interested party. [redacted] said FIORE subsequently advised him that the interested party, not further identified, had offered $45,000 for the house and lots on which the house stands, not to include the lots on which the pool is located, but KRUSE did not agree because he wants to get rid of the entire package, if at all possible. [redacted] said the house is not in very good shape and in his opinion, it is not worth $45,000 and he has so informed FIORE. He said FIORE only answered that he hopes "they" hurry up and do something because he wants to go back to Chicago, Illinois. [redacted] did not know what FIORE meant by "they".

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On June 17, 1964, Chicago T-4, who has met Chicago top hoodlum, SAMUEL M. GIANCANA, in the past, advised that around the weekend of June 6, or June 7, of 1964, he observed on the golf course at the Palm Beach National Golf Club, rural Lake Worth, Florida, SAM GIANCANA, [redacted] and JAMES FIORE, caretaker at the residence of LESLIE KRUSE, 1902 Notre Dame Boulevard, Lake Worth, Florida. Informant said that this is the first time he had observed GIANCANA in that area for possibly five years. He saw no one else in their company, and did not know if GIANCANA was staying at the KRUSE residence in Lake Worth, Florida.

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On June 18, 1964, [redacted] pro shop, Palm Beach National Golf Club, advised that on June 4, 1964, a Mr.

and Mrs. F. PAYNE registered to play and did play golf there. They were accompanied by another man who went on the course with them, but did not play. They got caught in the rain on the course and on returning to the club house Mrs. PAYNE, who had been wearing all yellow, purchased a complete new outfit in pink which was paid for by Mr. PAYNE. Mr. PAYNE and the other man both purchased new socks. After they left, someone, the identity of whom she could not recall, on coming out of the locker room asked if she knew on whom she had been waiting. She answered in the negative and was advised that it was [redacted] On observing the August, 1964, passport photograph of GIANCANA, she positively identified him as Mr. PAYNE. The description she furnished of the other man was similar to the description of JAMES FIORE. [redacted] said the man who used the name PAYNE made a telephone call from a pay phone while at the club and when she walked by him while he was on the phone he put his hand over the receiver, stopped talking and looked at her until she passed by. She said she was not certain, but she believed she had seen Mr. and Mrs. PAYNE in the club house there a few days prior to that, but they had not played golf due to the rainy weather. She said she associated them with no one else at the golf club.

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On June 18, 1964, there was observed at the KRUSE residence in Lake Worth, Florida, a white 1964 Chevrolet bearing 1964 Florida license 1E-5489. No individuals were observed there at that time. On that same date, FIORE's 1958 Ford Station Wagon was observed at Carl and Spike's Atlantic Service Station, South Dixie Highway, West Palm Beach, Florida, where FIORE is known to get that car serviced.

On June 19, 1964, [redacted], Carl and Spike's Service Station, advised that on Monday, June 15, 1964, two men came to the station in a royal blue 1963 Pontiac Bonneville

Sedan bearing 1964 Illinois license [redacted] They left the car there for servicing, said it would be there for a few days and left with JAMES FIORE, who had followed them in his station wagon. They returned shortly, in two white Chevrolets with rental car license plates. FIORE left his Ford station wagon there and left with the two men in the two Chevrolets. He said at least one of the two men who arrived in the Pontiac had been back since, to get golf equipment from the car, and added, FIORE had picked up his station wagon there that morning. [redacted] observed the above photograph of GIANCANA and said the photograph was familiar, but he could not be sure. Why? He said these persons dealt primarily with [redacted] who was not then at the station.

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On June 19, 1964, [redacted] Hertz Rent-a-Car, Southern Boulevard, West Palm Beach, Florida, advised his records indicate that on June 15, 1964, late in the morning, they rented a 1964 Chevrolet bearing 1964 Florida license 1E-5489 to JAMES FIORE, Lake Worth, Florida, who displayed a Florida driver's license in his name. He said that car had been turned in at 7:07 a.m. that morning, June 19, 1964, having gone 248 miles. [redacted] described the man who turned the car in, which description fit JAMES FIORE, and said one of the boys there had then taken FIORE to the Atlantic Service Station on South Dixie Highway, in West Palm Beach. [redacted] said at the same time FIORE rented the above car, another white 1964 Chevrolet bearing 1964 Florida license 1E-5516 had been rented to TARQUIN SIMONELLI, 601 Melbourne Road, Riverside, Illinois, who displayed Illinois driver's license number 5554-8001-6201. He showed his local address as in care of FIORE and it was indicated that both cars would be turned in at West Palm Beach on June 22, 1964.

[redacted] said he had not handled the original rental of these cars, but rather that had been handled by [redacted]

On June 19, 1964, [redacted] advised he recalled renting above cars and recalled three men arrived at the office in a Ford station wagon. He furnished a description of the man using the name FIORE, which fits the description of JAMES FIORE, Lake Worth, Florida. On observing the 1961 passport photograph of GIANCANA, he identified that person as being identical with the Mr. SIMONELLI who rented the other car. He described the third man as being in his late fifties or sixties, about 5' 10" or 11" (taller than the other two) and with a medium build, although stockier than the other two by a little bit. His hair was thin, but he was not bald and he believed the hair was grey. He said he knew nothing of their intentions except that he did hear them mention meeting at the PGA Golf Course in Palm Beach Gardens, Florida. He said he believed he recognized FIORE as having rented another car there a week or so prior to that, but could furnish no additional information.

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On June 20, 1964, [redacted] Carl and Spike's Service Station, West Palm Beach, Florida, advised that during the morning of June 15, 1964, JAMES FIORE came to his station in his station wagon accompanied by two men in the above described Pontiac. FIORE said they were visiting him for a few days and arranged to leave the Pontiac there for service and storage until they picked it up later. He said that afternoon both men came back with FIORE in a rented white Chevrolet and got their golf equipment from the Pontiac. [redacted] observed the 1961 passport photograph of GIANCANA and identified him as the man

who was riding in, not driving, the Pontiac when it arrived there. He said he had not seen the driver of the Pontiac since he picked up his golf clubs, but had seen the man he identified as GIANCANA on one other occasion at the Pontiac with FIORE getting something from it. [redacted] described the other man as a bit older than the man identified as GIANCANA and a little taller and stockier. He had thin hair, but was not entirely bald and he had the appearance of an Italian. He said these men did not leave their names and he knows nothing about them. He said FIORE told him only that if anyone asked about them or the car, he should say nothing. During the early afternoon of June 20, 1964, [redacted] advised that FIORE's two companions had returned to the station late that morning in a white Chevrolet bearing 1964 Florida license 1E-5516. The man who had originally been driving the Pontiac left in the Chevrolet and the other man, whom he again identified from the photograph as GIANCANA, picked up the Pontiac and left. He said this man asked him if anyone had been asking about the car. [redacted] told him inquiry had been made, but there was nothing he was able to tell the person making the inquiry, to which this man's answer was only "good". b6 b7C

On June 21, 1964, [redacted] advised that the car which had been rented by SIMONELLI had been turned in at their Palm Beach office at 11:31 a.m., on June 20, 1964, having been driven 476 miles.

On June 19, 1964, [redacted] advised that FIORE's Ford station wagon disappeared from that address sometime on June 15, 1964, at about the same time a new white Chevrolet was observed there. He said he had asked FIORE about his station wagon and FIORE said only that some of Mr. KRUSE's friends were there from Chicago, Illinois, and Mr. b6 b7C b7D

KRUSE had told him to rent a car for them so there was no room for them so there was no room for his station wagon and he had left it at the filling station. [redacted] said he had seen a white male with FIORE a couple times in the Chevrolet, but did not see him well enough to identify him, although he appeared to be a pretty good sized man. He said whenever he saw the man he was wearing a white golfing or painting cap and it appeared FIORE was taking him somewhere in the morning and going to get him in the afternoon. He said at no time had he seen two men with FIORE at one time and said he had seen no women around the KRUSE residence. [redacted] said he had noted that morning, June 19, 1964, that the Chevrolet was gone and FIORE's station wagon was back. On June 20, 1964, [redacted] said he had seen no one at the KRUSE residence since last interviewed. He said FIORE [redacted] said he supposed that FIORE's concern in that regard also accounted for his being constantly in and out in his station wagon during the day without being gone long enough to go anywhere.

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During the evening of June 18, 1964, the 1964 Chevrolet, bearing 1964 Florida license 1E-5489, was observed parked next to a pay telephone booth on North Dixie Highway in Lake Worth, Florida. One white male was observed in the booth and another standing beside it. Neither were sufficiently observed to allow for their being identified. When the car left that position, rather than going directly to 1902 Notre Dame Boulevard in Lake Worth, Florida, it was observed driving around the area of that residence for a short time before returning to that address.

Observation on June 19, 1964, of the guest registers at the PGA Golf Course, Palm Beach Gardens, Florida, failed to reflect the names SIMONELLI, PAYNE, or GIANCANA. GIANCANA's photograph was displayed to [redacted] PGA Club, on June 22, 1964, and he said he did not recognize him as a guest there during the prior week. He said he just recently came to Florida from the Chicago area, knew a few of the "hoodlums" there from having worked at golf courses in the Chicago area, and he believed he has seen GIANCANA before and believes he would have recognized him had he been there. b6 b7C

On July 1, 1964, [redacted] advised SA RICHARD B. KELLOGG that KRUSE was still at his Lake Worth, Florida, residence, as of that date, having arrived the previous Friday or Saturday, June 27, or June 28, 1964. He said he [redacted] JAMES FIORE, the caretaker at the KRUSEs' Lake Worth, Florida, residence, had indicated previously that some people from Mississippi were interested in buying the place, and these persons were apparently located by a realtor from Fort Lauderdale, Florida. b6 b7C b7D

On July 9, 1964, JAMES FIORE advised SA RICHARD B. KELLOGG that KRUSE has two or three good prospects for the house in Lake Worth, Florida, but it is still not clear whether the deal will be for the house and all the property, or just some of the property. He said the next two or three weeks are crucial, in that if the house is not purchased by the prospective customers during that period, then they will probably not purchase it at all. FIORE again mentioned that if KRUSE is unable to sell the lots adjoining the lots on which the house is located, he might build himself a house on those two lots. He said KRUSE was thinking about a split level, or two-story house, so that he could see the Ocean from the house.

FIORE said, "You guys scared away a couple of good prospects." When asked what he meant by that, he said he was referring to the men in the white Pontiac, who were by a few weeksago. He said they were a few friends of KRUSE's, and that he sent them down to look over the house. It is noted FIORE was unable to keep a straight face during that part of the conversation. It is further noted, here, that FIORE is referring to the surveillance by Miami, Florida, Agents, of the car left at the gas station, and which was used by SAM GIANCANA and party.

IV. Travel

Chicago T-1 advised in late May of 1964, that KRUSE had left on May 27, 1964, by auto, with his wife to visit Iowa City, Iowa, where he picked up [redacted] who is attending college there. b6 b7C

Chicago T-3 advised in June of 1964, that KRUSE suddenly left for Miami, Florida, by plane on May 30, 1964, in the late evening hours, and would be gone for several days. Informant had no idea that KRUSE was planning to leave Chicago, Illinois.

Chicago T-2 advised in late June of 1964, that KRUSE departed Saturday, June 29, 1964, and was not expected to return for several days. Informant believes that KRUSE went first to the Miami, Florida area, and then to the Bahama Islands.

V. Gambling

Chicago T-1 advised in late April of 1964, that due to the extreme illness of his mother, KRUSE had to cancel his trip to Hot Springs, Arkansas. KRUSE reportedly "has a guy" in Hot Springs, Arkansas, who used to work in KRUSE's bookmaking operation in Chicago, Illinois, who keeps him advised of all information with respect to

gambling in the Hot Springs, Florida, area. Informant believes this person is an Italian, whose wife runs an Italian Restaurant on a hill, on the outskirts of Hot Springs, Florida.

Chicago T-2 advised in early June of 1964, that KRUSE, during his last trip to Miami, Florida, visited Puerto Rico, and flew there by chartered plane from Miami, Florida. Informant believes KRUSE spent two days in Puerto Rico, and that the chartered plane cost him approximately $350, to fly from Miami, Florida, to Puerto Rico.

KRUSE has also stated that "the outfit" was working close with the Teamsters in the operation of establishing gambling in the Lucayan Hotel in the Grand Bahamas. KRUSE predicted that the Lucayan Hotel would soon obtain its gambling license from the local government.

Chicago T-3 advised in early July of 1964, that as of July 1, 1964, KRUSE had not returned to Chicago, Illinois, from his visit to Miami, Florida, and the Bahamas. In connection with this visit, informant believes that [redacted], formerly a Chicago bookmaker, who is extremely wealthy, and now resides in New York and Miami, Florida, reportedly runs gambling south of the Miami, Florida, area, in Miami, Florida. It has been stated that [redacted] is one of the main financial backers concerning a gambling boat venture, which will reportedly operate in the international waters, off of the Florida Coast. It was stated that, in all probability, the boat will operate from the Bahama Islands, rather than off the shore of Florida, which would decrease the possibility of drifting into the point within the three mile limit.

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According to this informant, KRUSE is a highly regarded organizer for the "outfit". He stated KRUSE is very close to, and probably works for ROCCO FISCHETTI and

gets a percentage of what FISCHETTI obtains. It is the informant's opinion that KRUSE represents such persons as GIANCANA, ACCARDO, and FISCHETTI in the Grand Bahama Islands gambling, and probably Puerto Rico gambling. Informant stated KRUSE submits a bill for his expenses incurred during the course of his travels on business for the "outfit". It is not known to whom he submits this bill.

VI. Investments

Chicago T-1 advised in mid June of 1964, that KRUSE usually uses the stockbrokers Thompson and Mc Kinnon located at La Salle and Monroe Streets in Chicago, Illinois.

VII. Illegal Activities

Chicago T-5 advised on July 7, 1964, RED CIANGI, small-time Chicago hoodlum, meets with a syndicate leader once a month, and that this person is known as LESTER "KILLER KANE" KRUSE. CIANGI apparently owes money to KRUSE and, for this reason, meets with him to make certain payments.

FD-302 (Rev. 1-25-60) FEDERAL BUREAU OF INVESTIGATION

1 Date 6/8/64

[redacted] Freehling and Company, 120 South La Salle Street, was contacted and requested to furnish any information he might have concerning stock acquisitions or holding of LESLIE EARL KRUSE. He at first appeared very hesitant to do so but then obtained several ledger sheets which he said contained records of stock transaction for KRUSE.

He said KRUSE was referred to him by a mutual friend, [redacted] a loop attorney who said only that he was sending a friend over who wanted to invest some money "for his kids." He said KRUSE first appeared at his office on January 10, 1964, and has only been back perhaps once since. KRUSE impressed him as a well-dressed and retired businessman who spoke of his children in college. He felt that his clothes were expensive and he made a very good impression being a nice looking man. As he recalled, on his second visit to the office KRUSE had his wife with him and she too made a nice impression.

KRUSE purchased stock totaling $20,000 in his name and that of his wife, ELSIE KRUSE, which was made up of the following issues:

Columbia Gas
New England Electric
Union Tank
Continental Airlines

For [redacted] and with ELSIE KRUSE as custodian, he purchased for each one $5,500 in stock issued by Mountain States Telephone and Pacific Northwest Bell Telephone.

[redacted] commented that in view of the above one could see that KRUSE buys nothing but good stock. He added that KRUSE paid for the stock with a cashiers check from the First National Bank of Chicago in the amount of $36,500. He said he was sure by the nature of the transaction that KRUSE had an account of some sort at this bank.

On 6/5/64 at Chicago, Illinois File # CG 92-1037

SA [redacted] /mjs 6/8/64

by Date dictated

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] said he has not seen KRUSE since his second visit and that he has no assurance that he will ever return.

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
August 3, 1964

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted], dated and captioned as above.

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CHARACTERIZATION OF INFORMANTS

Chicago T-1 is a person who, through his acquaintances, is aware of the activities of Kruse, Kruse's family, and his traveling habits.

Chicago T-2 is an individual who is acquainted with Kruse and many of Kruse's associates, and can furnish information regarding Kruse's daily activities.

Chicago T-3 is a person who, by virtue of his acquaintance with Chicago hoodlums, can furnish information regarding Kruse.

Chicago T-4 is a person who has some knowledge of hoodlum activities in the Miami area, and can furnish information on occasion concerning them.

Chicago T-5 is an individual who, by virtue of his hoodlum associates, his employment, and his background, can furnish information regarding many hoodlums in the Chicago area.

FD-36 (Rev. 12-13-56)

F B I

Date: 8/27/64

Transmit the following in _____ (Type in plain text or code)

Via A I R T E L (Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-5505)

FROM : SAC, CHICAGO (92-1037)

SUBJECT: LESLIE EARL KRUSE, aka
AR

Re Chicago airtel to the Bureau 8/21/64, and Bureau airtel to Chicago 8/21/64.

Recent info re the Lucayen Beach Hotel, Grand Bahamas, indicates huge financial investment made there possibly including funds from the Teamsters Union, according to one Chicago informant and definitely including Chicago hoodlum money as per re Chicago airtel.

Chicago has received info in recent past that KRUSE is representing Chicago interests in Bahama Islands and makes periodic trips to Florida and the Bahamas. [redacted] has advised in the past that KRUSE is [redacted] (phonetic) partner in the purchase and rebuilding of the Passenger Liner Italia. This liner is reportedly used as a hotel at Lucayen Beach and may also be used as a floating gambling site.

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In view of above activities on the part of KRUSE and other top echelon Chicago hoodlums, who are striving to gain a controlling interest in gambling at Lucayen Beach, it is highly possible that a violation of Federal Gambling Statutes

3 - Bureau
4 - Miami (92-349)
(2 - 92-1241)
2 - New York
2 - Chicago
(1 - 92-1572)
EWA/sfs
(11)

cc- Wick

REC-35 92-5505-260

9-2

20 AUG 27 1964

NINE

may now or will exist. Such violation may occur due to the travel of persons, money, and/or equipment between the Grand Bahamas, Chicago, and other points within the United States.

The Bureau in reBuairtel to Chicago advised Chicago to follow the above matter closely and obtain info re hoodlum participation which may be disseminated to Bahamian authorities with security to informants and sources.

Accordingly it is felt that hereafter when KRUSE is in Florida, that he be kept under continuous surveillance for the purpose of eventually determining his contacts in Florida and in the Islands, his mode of travel, and also to establish the fact that he actually does travel to the Islands for possible future prosecutive purposes although Chicago has reliable information to this effect.

New York is requested to determine the full details concerning the statement by [redacted] that KRUSE is in partnership in the purchase and rebuilding of the Passenger Liner Italia. b7D

SAC, Chicago [redacted] 8/20/64

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Director, FBI [redacted]

1 - Mr. Fipp
1 - Mr. Leggett
1 - Mr. Kelly

[redacted]
PCI

ReBulet 6/12/64 and report of SA [redacted] dated 8/3/64 entitled "Leslie Earl Kruse, Anti-Racketeering."

Cover page G of rerep reports that a [redacted] furnished information to a Special Agent of the Chicago Office on 6/16/64. [redacted] referred to in rerep is apparently identical with [redacted] who was formerly a PCI of your office.

You should bear in mind instructions in reBulet which informed you to initiate no further contacts with this individual and that he should not be considered as a target for development in your Top Echelon Criminal Informant Program or a potential criminal informant.

1 - Bufile 92-5505 (Leslie Earl Kruse)

JEK:rap
(7)

92-5505-
NOT RECORDED
184 AUG 24 1964

ORIGINAL FILED IN

AUG 31 1964

8/31/64

AIRTEL

1 - Mr. Ware
1 - Mr. Leggett

TO: SACs, Miami (92-349)
REC-35 Chicago ~~(92-1037)~~

FROM: Director, FBI (92-5505) 360

LESLIE EARL KRUSE, aka.
AR

ReCGairtel 8/27/64.

Reference is made to the suggestion contained in Chicago airtel that hereafter when Kruse is in Florida he be kept under continuous surveillance to determine his activities, contacts and possible travel to the Bahamas.

While it is desirable to obtain information corroborating Kruse's activities in this regard, it is felt that this may be accomplished by Miami through selective surveillance and other investigation rather than blanket continuous surveillance. Miami should, of course, establish sufficient coverage of Kruse's activities to obtain the desired information looking toward the establishment of a possible violation of Federal gambling statutes and other pertinent information in this connection.

NOTE: Chicago has received information that Kruse is representing hoodlum interests in gambling activities in the Bahama Islands and makes periodic trips to Florida and the Bahamas in this connection. Chicago feels it possible that these activities may result in the establishment of a violation of Federal gambling statutes and has suggested continuous surveillance of Kruse while in the Florida area for that purpose. It appears that Miami can establish appropriate coverage through selective and spot surveillances without undertaking an arbitrary continuous surveillance of Kruse in this matter.

Tolson
Belmont
Mohr
Casper
Callahan
Conrad
DeLoach
Evans
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

JGL:rap
(7)

66 SEP 10 1964

MAIL ROOM ☐ TELETYPE UNIT ☐

Report Form
FD-72 (12-12-55)

FEDERAL BUREAU OF INVESTIGATION

REC- 49 ST 108

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	11/17/64	7/28 - 11/5/64

TITLE OF CASE

LESLIE EARL KRUSE

REPORT MADE BY
SA [redacted]

TYPED BY
MJD

CHARACTER OF CASE

ANTI-RACKETEERING

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~~XXXXXXX~~

REFERENCE: Report of SA [redacted] dated 8/3/64, at Chicago.

- P -

ENCLOSURES

TO THE BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memorandum setting forth a characterization of informants.

APPROVED [redacted] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-26 REC 4

1 NOV 20 1964

COPIES MADE:

3 - Bureau (92-5505) (Enc. 2)
1 - USA, Chicago
2 - Detroit
3 - Miami (92-749)
2 - Chicago (92-1037)

1-Dept Attn: [redacted]
1-D [redacted]
20f

NOTE IN CASE

PROPERTY OF FBI.—This report is loaned to you by the FBI, and neither it nor its contents are to be distributed outside the agency to which loa

LEADS

DETROIT

AT DETROIT, MICHIGAN. Will, if Detroit has reliable source at the Pontiac Motor Division of General Motors, attempt to obtain information concerning Peter Epsteen Pontiac Agency of Skokie, Illinois, and Henry Susk Pontiac Agency of Chicago. Will, through this contact, determine the number of units shipped to these two agencies, and, if possible, obtain a figure on accessories which would require sales tax reports. It is possible that it may be easier to compute the total taxable amount of equipment, made up of units and accessories, and either figure will be sufficient. If this can be done, Detroit is requested to advise Chicago immediately so that contact will be made with the state of Illinois simultaneously with the Detroit inquiry. This will be done under the assumption that through their hoodlum connections and possible ownership, EPSTEEN and [redacted] will hear of the inquiry and possibly make attempts to conceal, alter, or destroy any tax data which might incriminate them. The inquiry should include the past five years. b6 b7C

MIAMI

AT LAKE WORTH, FLORIDA. Will follow the sale of KRUSE's house and other activities involving KRUSE in Lake Worth.

AT MIAMI, FLORIDA. Will continue to follow KRUSE's interest in the gambling situation at the Lucayan Beach Hotel, and also his attempts to sell the slot machines being held in the Dominican Republic.

CHICAGO

AT BROOKFIELD, ILLINOIS. Will interview JAMES FIORE, KRUSE's caretaker at his Lake Worth, Florida, residence. FIORE is reportedly residing at 3415 Prairie Avenue.

AT CHICAGO, ILLINOIS. Will attempt to identify and interview [redacted] and his brother, [redacted], who recently played golf with LESLIE KRUSE and RALPH PIERCE in Hot Springs, Arkansas. b6 b7C

ADMINISTRATIVE.

The following information is set forth under the above caption due to the sensitive nature of the information or the close association between the informant and KRUSE, the dissemination of which might compromise the source:

[redacted] advised SA JOSEPH G. SHEA on July 22, 1964, that after the death of ROCCO FISCHETTI in New York State due to a heart attack, the informant assumed that LESLIE KRUSE, whom he believed to be a close associate of FISCHETTI in criminal activities, would attend the funeral. Informant contacted KRUSE on the day prior to the funeral, at which time he learned that KRUSE was not going to the funeral as he had believed. Informant was surprised at this development and asked KRUSE why he was not going. KRUSE said "it costs money." KRUSE at that time spat at the mention of FISCHETTI's name, according to the informant. KRUSE stated that he was not going to the funeral and that no one from his group would be in attendance. KRUSE stated that FISCHETTI was a big loud mouth and had cost him a lot of money at both the J & J Picnic Grove Gambling Casino, Will County, and at the Viaduct Lounge in Cicero, Illinois. Informant advised that apparently something had occurred just prior to FISCHETTI's death which had caused a break in the friendly relationship between KRUSE and FISCHETTI. b7D

Informant stated that he talked subsequent to that to [redacted] regarding the fact that KRUSE did not attent FISCHETTI's funeral. KRUSE stated that a few months ago, he was present at Binyons Restaurant, Plymouth Court, Chicago, while KRUSE, FISCHETTI, and RALPH PIERCE were having dinner. During the dinner, FISCHETTI appeared b6 b7C

to be giving orders to KRUSE regarding some activities, at which time KRUSE became very agitated and told FISCHETTI that he was not taking orders from him and would not take any of his guff. [redacted] stated that the tension between KRUSE and FISCHETTI after the remark made by KRUSE was very intense, and [redacted] believed for a time that FISCHETTI would stick a fork into KRUSE at the dinner table.

[redacted] further indicated to the informant that FISCHETTI had been supporting GUS LIEB, Chicago gambling housekeeper, for the last year or so, furnishing him $100.00 per week. Informant noted that FISCHETTI and GUS LIEB were observed in attendance at the most recent ACCARDO wedding and arrived at the ceremony in the same car.

Informant stated that he later talked to ELSIE KRUSE, wife of LESLIE KRUSE, regarding their attendance at the funeral, at which time ELSIE remarked that she had not been friendly with [redacted] for many months. [redacted] has been living in the home of ROCCO FISCHETTI in Skokie, Illinois, for the past several years [redacted]. b6 b7C

Informant stated that he learned that ROCCO FISCHETTI died owing large sums of money to ANTHONY ACCARDO, SAM GIANCANA, KRUSE, RALPH PIERCE, and [redacted] Informant stated that in all business ventures or criminal ventures, KRUSE, PIERCE, and [redacted] are known in the "outfit" as partners. Informant stated that he learned from LESLIE KRUSE that the $86,000.00 confiscated at the Viaduct Lounge during the gambling raid there and later awarded by the courts to ROCCO FISCHETTI was kept in total by FISCHETTI. Informant speculated that this could be one of the reasons for the split between FISCHETTI and KRUSE. Informant further advised that he believes that the "outfit" will attempt to get a lot of money owed them from the FISCHETTI estate through JOE FISCHETTI, brother of ROCCO, and through [redacted]

COVER PAGE

Informant advised that [redacted] are presently at home. [redacted] has been attending summer school at the Niles Township High School. [redacted], recently returned from Nebraska where he had been attending summer school in connection with his college work. [redacted] had been home for some time during the summer. Informant stated that [redacted] with KRUSE will, in the near future, go to the Mayo Clinic in Rochester, Minnesota, where ELSIE KRUSE will undergo treatment for a leg condition.

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[redacted] advised SA SHEA on August 6, 1964, that KRUSE, accompanied by [redacted] departed by plane from Chicago on August 2, 1964. KRUSE went to New York first and spent one day at the World's Fair with no return date to Chicago known.

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On August 10, 1964, informant advised that KRUSE and [redacted], had still not returned to Chicago, and he presumed they were in Florida.

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TLV

On August 6, 1964, [redacted] learned from RICHARD BERNAS, close associate of KRUSE, that BERNAS is now only working part time at the Villa Venice Restaurant and was complaining about needing money. Informant stated that BERNAS attempted to borrow $200.00 from him on August 4, 1964.

b7D

This informant advised also that KRUSE attended the wake and funeral of the young girl whose body was stolen from a funeral home in Skokie, Illinois. He stated that the young girl's father was an employee of Peter Epsteen Pontiac in Skokie. Informant again repeated his belief that KRUSE is, in fact, the owner of Epsteen Pontiac Agency.

[redacted] advised SA SHEA on August 14, 1964, that KRUSE returned to Chicago August 12, 1964, from Florida, with [redacted] KRUSE indicated to the informant that he had been to his Florida home and had left [redacted] with the caretaker. Also, that KRUSE told him that he had been in contact with JOE FISCHETTI, brother of recently deceased ROCCO

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FISCHETTI, and they had played golf together. Informant further advised that KRUSE enrolled [redacted] during this period at Culver Military Academy, Culver, Indiana. b6 b7C

[redacted] advised SA SHEA on August 21, 1964, that [redacted] PAUL and ALLEN DORFMAN, who operate the Teamsters Health and Welfare Fund, were recently required to come up with $350,000.00 in cash to pay off JAMES HOFFA's defense costs in connection with the Chicago trial. Informant stated that some of the money was borrowed by ALLEN from one [redacted], who is in the finance business in the Beverly Hills area of California. Informant indicated that [redacted] a former Chicagoan, struck it rich in California. b6 b7C b7D

The following investigation was conducted by SA RICHARD B. KELLOGG:

On August 26, 1964, [redacted] (protect due to [redacted]) advised that subject had entered into a contract to [redacted] b6 b7C b7D

[redacted]

COVER PAGE

CG 92-1037
EWA:MJD

[redacted] advised SA SHEA on August 28, 1964, that KRUSE left O'Hare Field by plane for Florida on August 23, 1964, a Sunday morning, and came back from Florida on an economy flight arriving at 4:00 A.M. on Monday morning, August 24, 1964, at O'Hare Field. b7D

He stated KRUSE did not attend the funeral of FRANK FERRARO, but did attend the sneak wake held for him prior to the official wake.

During discussions with KRUSE, KRUSE advised the informant in a friendly manner to have nothing to do with [redacted]

[redacted] advised SA [redacted] on September 11, 1964, that a person by the name of [redacted] b6 b7C b7D

[redacted] advised SA [redacted] on September 14, 1964, that whenever KRUSE is in the Miami area, he usually stops at Capra's Restaurant, 8400 Biscayne Boulevard, Miami. He also visits at the Customer's Lounge of Eastern Airlines at Miami International Airport. Informant said that he last saw KRUSE on [redacted] and if KRUSE had been in Miami since that time, [redacted]

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CG 92-1037
EWA:MJD

Informant stated that he believes that [redacted] is now KRUSE's [redacted] b6 b7C b7D

Informant stated that he received information that on Labor Day, 1964, [redacted] was working as [redacted] at the Imperial Bahama Hotel, formerly known as the passenger liner Italia, Freeport, Grand Bahamas. [redacted] allegedly is a representative of Miami hoodlum SANTO TRAFFICANTE. Informant stated that gambling was flourishing on the Calypso Liner, which takes customers to the Imperial Bahama Hotel. Informant stated that at the present time, no gambling is in operation at the Imperial Bahama Hotel; however, since [redacted] has something to do with the operation, he anticipates that gambling will be in operation in the very near future. b6 b7C

Concerning gambling at the Lucayan Beach Hotel, informant said he had not received any information to the effect that LES KRUSE had any interest in the Lucayan Beach, or any other establishment in the Bahamas. Informant characterized KRUSE as an administrator of gambling establishments, and does not consider him to have any widespread knowledge of gambling itself.

On September 8, 1964, [redacted] (information furnished by him should not be disseminated outside the Bureau), advised SA [redacted] He stated that [redacted] of the rebuilding of the passenger liner Italia, and its use as a hotel at Lucayan Beach, Grand Bahamas. He stated [redacted] did not use cash in purchase of the liner, but gave stock in his corporation, the Canaveral Corporation, of which he is principal stockholder and president. b6 b7C b7D

Informant advised he has [redacted] had indicated he was not interested; however, informant

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stated that he did not believe [redacted] when he told him this. The informant advised that he knows of no connection between [redacted] and any members of organized crime at this time. Informant stated, however, that [redacted] Informant was exhibited a photograph of LES KRUSE, and informant stated that KRUSE was unknown to him. b6 b7C b7D

From September 14 through September 17, 1964, [redacted] advised SA VINCENT L. INSERRA considerable information concerning a "scam" operation, which is known as a bankruptcy type swindle, being operated by Chicago north side hoodlums. This operation [redacted] who has been arrested numerous times; however, has no convictions.

[redacted] resides in [redacted] having telephone number [redacted] and is [redacted] and a front man for KRUSE. These individuals have [redacted] b6 b7C b7D

On September 17, 1964, informant advised that [redacted] and [redacted] left Chicago for Los Angeles, California, where they are expected to further this scheme and perhaps make more purchases for their phony business. b6 b7C

[redacted] advised SA SHEA as follows on September 2 and 3, 1964: b7D

CG 92-1037
EWA:MJD

Informant advised [redacted] LESLIE KRUSE at which time KRUSE remarked that he did not believe that [redacted] would have anything to do with the bombings for the sake of a few sales accounts. KRUSE stated that [redacted] is immensely wealthy and would not want any "heat" to be reflected on his liquor business and strives to maintain an air of legitimacy. KRUSE further related that he thinks the bombings and arsons are being committed to discredit local police and the Democratic Party during an election year. b6 b7C b7D

Informant stated that [redacted] who is returning to college in the far west. RICHARD is a hunting and riding enthusiast and was to take the gun back to college with him. b6 b7C b7D

KRUSE recently was discussing [redacted] and [redacted] recently had some phonograph records pressed for sale. [redacted] financed the money paying for the pressing of the records. The records and their sale involved an individual named [redacted] (phonetic). The deal fell through and [redacted] lost $6,000.00 on the deal. KRUSE stated that [redacted] will have to stand for the loss inasmuch as he okayed it and financed it.

Informant stated further that [redacted] is in serious financial condition and recently attempted to borrow money from LESLIE KRUSE and RALPH PIERCE. KRUSE would give [redacted] nothing; however, RALPH PIERCE gave [redacted] $100.00 to buy [redacted] clothing to go to school. b6 b7C

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CG 92-1037
EWA:MJD

[redacted] advised on September 11, 1964, that KRUSE would be leaving on the next day for Iowa State University with [redacted] in the family car accompanied by his wife, ELSIE.

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[redacted] advised SA [redacted] on September 18, 1964, that KRUSE was planning a visit with [redacted] at Culver Military Academy the following day.

[redacted] KRUSE had indicated that SIDNEY KORSHAK, a prominent Chicago criminal attorney who has close connections with members of the organized criminal element, can do anything he wants to do. He pointed out that [redacted] of New Mexico is a close friend of KORSHAK as well as was former President KENNEDY and President LYNDON JOHNSON. KORSHAK has called upon [redacted] in the past for favors and has usually received [redacted] help.

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The following information was obtained from [redacted] who resides on [redacted] and familiar with the inner workings of the Chicago criminal element:

[redacted] has been contacted by SA PAUL B. FRANKFURT, and the following information was furnished to him:

On Sunday evening, October 4, 1964, SA PAUL B. FRANKFURT spent the evening at the [redacted] residence after first eating at Augustino's Restaurant at 72 East Delaware, Chicago.

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During the course of the evening, [redacted] advised

[redacted]

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CG 92-1037
EWA:MJD

[redacted] was questioned concerning the rumor that the Villa Venice was about to be sold, and he appeared surprised that SA FRANKFURT had heard such a rumor, and asked where it came from. SA FRANKFURT informed that it had appeared in one of the newspaper columns as a rumor. [redacted] admitted that [redacted] was getting old and making many mistakes in connection with the operation of the Villa Venice. He admitted that negotiations are presently underway for the change of ownership, and stated these plans had not get gone through. He was vague as to the identity of the new owner, but [redacted].

He also commented that [redacted]

Also during the course of the evening, [redacted] mentioned he had known SAM GIANCANA for many years and spoke in highly complementary terms concerning GIANCANA, commenting that he recalled the days immediately after the passing of GIANCANA's wife, which left GIANCANA in charge of raising his daughters. He also commented that GIANCANA was a devoted father and was particular about the appearance and dress of his girls.

It is obvious from the comments made by [redacted] that he is imbued with the importance and stature of both GIANCANA and KRUSE, and that while it is contemplated contacts will be continued with [redacted] at the same time it should be pointed out that the possibility of turning [redacted] into an informant is still a long way off.

[redacted] advised SA SHEA on October 8, 1964, that on Tuesday night, October 6, 1964, KRUSE celebrated his 58th birthday, and that the birthday celebration was attended by [redacted] Informant stated that KRUSE is presently adding a big room to the front of his house to accommodate his mother, who is ill. He indicated that the cost of the room is $10,000.00.

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CG 92-1037
EWA:MJD

On October 26, 1964, [redacted] advised SA SHEA that [redacted] and learned that KRUSE is expected back in Chicago on about October 28, 1964. He stated KRUSE intended to stay in Hot Springs, Arkansas, for approximately ten days. b7D

Informant said that KRUSE recently sold his dark blue Pontiac four-door sedan and intends to keep his 1964 white-top convertible Pontiac. He said KRUSE and his wife still intended to leave for the Mayo Clinic next Saturday night, where they will remain for a four to five day period of time.

[redacted] advised SA [redacted] on September 29, 1964, [redacted] b6 b7C b7D

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CG 92-1037
EWA:dcc

INFORMANTS

Careful consideration [illegible] given to each source concealed and T symbols w[illegible]ized only in those instances where the identity of [illegible] must be concealed. Multiple symbols were given in o[illegible]stance to further protect the informant.

Source	Contacting Agent
CG T-1 [redacted]	JOSEPH G. SHEA
CG T-2 [redacted]	[redacted]
CG T-3 [redacted]	Unknown Agent
CG T-4 [redacted]	Unknown Agent
CG T-5 [redacted]	JOSEPH G. SHEA
CG T-6 [redacted]	[redacted]
CG T-7 AUSA [redacted] USA's Office, Chicago	[redacted]

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FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: NOVEMBER 17, 1964

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis:

KRUSE visited by [redacted] former Chicago gambler. Information set forth regarding KRUSE's Florida real estate and its sale set forth. KRUSE's partner [redacted] in outfitting of the "Italia" in gambling venture. KRUSE's activities while in Florida set forth. Pontiac agencies allegedly backed by KRUSE and others reportedly swindling State of Illinois. KRUSE's travels to Hot Sprints, Arkansas, set forth. Income tax information for KRUSE set forth.

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037
EWA:MJD

DETAILS:

I. ASSOCIATES

CG T-1 advised on July 30, 1964, that [redacted] also known as [redacted] the J & J Picnic Grove Gambling Casino in Will County, Illinois, visited KRUSE's home the afternoon of July 29, 1964. [redacted] is presently employed as [redacted] at the Stardust Casino, Las Vegas, Nevada.

[redacted] has indicated that [redacted] of RALPH PIERCE and LES KRUSE in gambling activities, has been gambling and losing heavily in Las Vegas. According to [redacted] is in bad financial straits. Informant further learned that [redacted] has the first count of the money at the Stardust Casino.

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II. LEGITIMATE ENTERPRISES

It is to be noted that elsewhere in this report, according to KRUSE's income tax return, that he indicates [redacted] which company has obtained large contracts from the city of Chicago and the state of Illinois.

Referral/Consult

The list of domestic corporations for the state of Illinois provided by the Secretary of State's Office for Illinois contains the following information concerning the Nu-Way Contracting Corporation:

The listed address is 77 West Washington Street, Chicago. The president is HENRY [illegible], 655 North Kedzie, Chicago. The secretary is MARY [illegible], same address. The registered agent is PHILIP C. CORRADO, 77 West Washington.

CG 92-1037
EWA:MJD

III. ILLEGAL ACTIVITIES

It was determined that 1964 Florida license 1E16494 was registered to Morse Auto Rental, Incorporated, Miami International Airport, Miami, Florida.

[redacted] Morse Auto Rental, Incorporated, advised SA [redacted] on August 20, 1964, that the 1964 Mustang with Florida license 1E16494 was rented on July 30, 1964, by [redacted], business address, [redacted] He returned the vehicle on August 2, 1964.

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CG T-2 advised on August 4, 1964, that he had learned KRUSE had offered his Lake Worth, Florida, residence for sale for $60,000.00, and this price included the residence and two lots, but did not include the lot across the street from the residence, which he also owns.

CG T-3 advised on October 1, 1964, that he had heard in 1963 that KRUSE was in partnership with [redacted] in the establishment of a gambling operation aboard the former passenger liner "Italia" in the Bahamas.

Informant stated that [redacted] has close connections with high state officials in Florida, including [redacted] has been described to the informant as a "wealthy promoter."

Informant stated it had been learned that a [redacted] described as another rich promoter from Florida, had become part of this operation. CG T-3 had no further information on [redacted] or subsequent plans by KRUSE.

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CG T-2 advised on September 14, 1964, that whenever KRUSE is in the Miami area he usually stops at Capra's Restaurant, 8400 Biscayne Boulevard, Miami. He also visits at the Customer's Lounge of Eastern Airlines at Miami International Airport. Informant said that he last saw KRUSE [redacted]. b6 b7C b7D

Informant believes that [redacted]

On September 17, 1964, [redacted], was contacted by SA FRANK SMITH, at which time [redacted] stated that KRUSE was not known [redacted] KRUSE's identity was made known to [redacted] and he stated that he will be alert for him in the future. [redacted] stated that no information has come to the attention of [redacted] that KRUSE had any interest in the gambling casino at the Lucayan Beach Hotel. b6 b7C b7D

[redacted] Capra's Restaurant, 8400 Biscayne Boulevard, Miami, Florida, advised SA [redacted] on October 16, 1964, that LES KRUSE was unknown to him. He stated that possibly one of his waiters, namely [redacted] may know KRUSE since he is usually out front and he, [redacted] is in the kitchen most of the time. b6 b7C

[redacted] Capra's Restaurant, advised on October 10, 1964, after viewing a photograph of KRUSE, stated that KRUSE was unknown to him. He stated that he would be alert for this person at Capra's in the future.

CG T-1 advised on October 8, 1964, that [redacted], and most recently [redacted] was paid approximately $75,000 in cash two years ago by [redacted] and PETER EPSTEIN Pontiac agencies to "fix" the Illinois sales tax which would normally have been paid by both Pontiac b6 b7C

agencies. The informant indicated that [redacted] was responsible for numerous automobile agencies being able to pay far less than their required amount of sales taxes on automobiles sold. He indicated that [redacted] obtained anonymous amounts of money from automobile agencies including [redacted] and EPSTEIN through payoffs which allowed them to pay small amounts on their sales tax share. Informant indicated that he felt bank records would be valuable in this case to show the amount the State of Illinois has been cheated.

IV TRAVEL

CG T-1 advised in October, 1964, that KRUSE had recently been in New York and Florida where he believes he visited at his Lake Worth residence.

CG T-4 advised early in October, 1964, that he has information that KRUSE is going to Hot Springs, Arkansas, October 19, 1964, length of stay unknown.

CG T-5 advised on October 18, 1964, that KRUSE and RALPH PIERCE, Chicago Top Hoodlum, are departing from Chicago for Hot Springs, Arkansas, on October 19, 1964. b6 b7C

The following investigation was conducted by SA [redacted] at Hot Springs, Arkansas:

PIERCE and KRUSE arrived at Hot Springs, Arkansas, on the evening of October 19, 1964, with PIERCE checking into Room 768 at the Majestic Hotel and KRUSE occupying Room 801 at the Arlington Hotel.

CG T-6 advised on October 20 and 21, 1964, that PIERCE and KRUSE played golf together on the morning of October 20, 1964. On the morning of October 21, 1964, they again played golf and were accompanied by one [redacted], Chicago, Illinois, described as white, male, approximately 60 years old, [redacted] and his brother, [redacted] reportedly were vacationing in Hot Springs.

PIERCE and KRUSE checked out of their respective hotels in Hot Springs, Arkansas, at approximately 8:00 PM on October 29, 1964, and were believed returning to Chicago.

CG T-1 advised in middle October, 1964, that [redacted] possibly identical with the [redacted] mentioned above, was [redacted] with SIDNEY KORSHAK when they had a pool room years ago on Roosevelt Road and Central Park. b6 b7C

V. FLORIDA RESIDENCE

The following investigation was conducted by SA RICHARD B. KELLOGG:

On July 21, 1964, [redacted], said from conversation he has had with JAMES FIORE, caretaker at subject's residence in Lake Worth, it would appear they are very close to selling subject's residence there. He said he knows none of the specifics, but FIORE has mentioned someone from a Gulfstream Realty or Gulfstream Insurance Company who is very interested. He said FIORE had indicated that those people had called or someone had called the previous day from Las Vegas, Nevada, with instructions to inventory the entire house. b6 b7C b7D

On that same date, FIORE advised he should know within the next week if subject's house in Lake Worth will be sold soon. He was not more specific, but indicated they had two real good prospects.

On July 31, 1964, there was observed at subject's residence in Lake Worth a 1964 Mustang, white, convertible, bearing 1964 Florida license [redacted]. A white male was observed taking luggage from the trunk of this car. He can be described only as a good sized man with a full head of dark hair and his actions would indicate he is not an elderly man. b6 b7C

On that same date, [redacted] advised that FIORE had told him that morning he was expecting guests to visit him. He did not say who they were, but did say the girl was someone whom he had carried in his arms when she was a baby. [redacted] also advised that FIORE seems to think the house there has been sold. He said Mr. and Mrs. KRUSE and the prospective buyers had signed papers and someone was holding $6,000 or some such a figure and FIORE indicated that if the deal goes through KRUSE was expected in Florida next Tuesday or Wednesday (3/4 or 5/64). [redacted] said he did not know who the purchaser is, but it would appear to be either the man from the Gulfstream Realty or Insurance Company or a dentist from Lake Worth by the name of [redacted] or something like that. b6 b7C b7D

On September 1, 1964, [redacted] said he had gathered the following information from conversations with subject, his caretaker at his Lake Worth residence, JAMES FIORE, and [redacted], who purchased subject's residence there. [redacted] purchased the house and the lots on which the house is located for $40,000 to include the furnishings with the exception of a few pictures and other small items which were removed from the house. He has a one year option at $20,000 on the adjoining lots on which the swimming pool is located. [redacted] has said he will never buy those lots for his own use but will pick up the option if he can find someone who wants the lots to build on or who will contract with him to build a house for them on the lots. Concerning the lots across the street, which are also owned by KRUSE, KRUSE has offered the lots to [redacted] and probably others for $7,000 for the lots, and [redacted] b6 b7C b7D

[redacted] said FIORE left Lake Worth on August 26, 1964, to return to Chicago and left a forwarding address of 3415 Prairie Avenue, Brookfield, Illinois, which [redacted] understood is the home of [redacted] He said FIORE did not seem to know what his future would be when he left.

[redacted] said prior to leaving FIORE had his station wagon all fixed up and then gave it to a friend of his who lives west of Lake Worth around Military Trail. He also gave to this friend a good deal of items from around the house. [redacted] said he does not know who that man is but understood him to be a man of Italian extraction from the Chicago area who was quite friendly with FIORE and was also known to KRUSE. He could not recall the name but when the name [redacted] was mentioned, [redacted] said he thought that was the name. b6 b7C b7D

It is noted that on July 20, 1964, there was observed at the KRUSE residence in Lake Worth a compact General Motors automobile bearing 1964 Florida license [redacted] Also observed at that time by the pool with FIORE was a white male who was a large man, bald and not young. The Palm Beach County automobile registry, West Palm Beach, Florida, reveals that 1964 Florida [redacted] is issued to a 1962 Buick in the name of [redacted] b6 b7C

Chicago files contained no information regarding [redacted].

With regard to the sale of KRUSE's house in Lake Worth, Florida, and the fact that his caretaker JAMES FIORE left Florida giving his car to someone with whom both FIORE and KRUSE were friendly the following investigation was conducted by SA KELLOGG:

The files of the Clerk of the Circuit Court, Palm Beach County, Florida, in Book 1084, Page 243, reveal a warranty deed filed September 10, 1964, conveying from LESLIE KRUSE to VICTOR DOTTOR lots 1036 through 1039 and the South 3 feet of lot 1040 in Block 20, College Park Addition No. 2, Lake Worth, Florida. The deed, which was not dated, was signed by LESLIE E. and ELSIE R. KRUSE and the witnessed signatures appeared to be WILLIAM F. BURLL and ALICE G. COLLINS. The document was notarized by WILLIAM M. HENNESSEY, Cook County, Illinois.

There was no notice in the above records concerning a recording of the option [redacted] took on other property in the name of KRUSE in Lake Worth. Personnel at the Clerk's Office said it is not necessary to file a recording of an option.

Concerning FIORE's 1958 Ford station wagon, the files of the Palm Beach County, Florida, Automobile Registration Bureau, reveal that Florida license [redacted], which was issued to FIORE for that automobile, was transferred on September 23, 1964, to [redacted]. These files indicate that [redacted] also has registered to her a 1962 Buick and a 1952 Hillman. Her address on those registrations are [redacted] b6 b7C

The files of the Palm Beach County Credit Bureau, West Palm Beach, Florida, contain a file on THOMAS G. BYRNES, wife ALMA, at above address. The first information in this file was dated in July, 1958, and was from the Credit Bureau of Waterbury, Connecticut. This report indicated BYRNES had been known in Waterbury since 1937 and moved to Florida in 1958. He was said to have been born May 10, 1916, place not shown, married as dependents his wife ALMA, nee GAGNON, and four children. He was once associated in Connecticut with MICHAEL FAMIGTIELLI in the Carolina Club in Waterbury, and later operated Byrnes Old Homestead Restaurant in Waterbury.

He was also once associated with a small business called Byrnes Secondaries Company, which made some sort of springs. He reportedly had a good reputation in the Waterbury area. A May, 1960 report indicated Mr. BYRNES was employed as a tool and dye worker at Latham Mfg. in West Palm Beach (a manufacturer of super-chargers). A September, 1962 report showed he worked at Franklin Systems, West Palm Beach, and his wife worked at RCA, Lake Park, Florida.

No record was found on the [redacted] at the Palm Beach County Sheriff's Office, West Palm Beach.

VI. HANGOUTS

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CG T-1 advised on September 18, 1964, that [redacted] is reported to be in trouble with the organized criminal element concerning money. RALPH PIERCE has been seen going in and out of the H&H Restaurant [redacted] and LESLIE KRUSE has also been seen frequenting this establishment. KRUSE apparently is attempting to get [redacted] out of this trouble and according to the informant he believes [redacted] would be worth approximately $2,000,000.

VII. INCOME TAX

CG T-7 made available information on the income tax returns for [redacted] Referral/Consult

[redacted]

CG 92-1037
EWA:dcc
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Referral/Consult

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
NOVEMBER 17, 1964

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] dated and captioned as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
November 17, 1964

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above.

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CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and his activities.

Chicago T-2 is an individual acquainted with Kruse's activities in the Miami, Florida, area.

Chicago T-3 is a person acquainted with some of Kruse's activities in the gambling field.

Chicago T-4 is a person who has knowledge of Kruse's activities when he is in Hot Springs, Arkansas.

Chicago T-5 is a person acquainted with Kruse and with knowledge of his activities and associates.

Chicago T-6 is a person having knowledge of Kruse and some of his activities when he is in the Hot Springs, Arkansas, area.

Chicago T-7 is an employee of another Government agency.

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5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	2/1[illegible]/65	11/18/64 - 2/9/65

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] | TYPED BY: acm

CHARACTER OF CASE

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REFERENCE: Report of SA [redacted] dated 11/17/64 at Chicago.

- P -

ENCLOSURES

TO BUREAU (2)

Enclosed for the Bureau are 2 copies of a letterhead memorandum setting forth a characterization of informants.

LEADS

LITTLE ROCK

Two copies are being furnished to Little Rock for information which is set forth on the Administrative page of this report. This information concerning gambling activities in Hot Springs, Arkansas was furnished by a source close to KRUSE and who should be protected.

MIAMI

SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-262 REC-44

FEB 23 1965

[redacted]

(3) - Bureau (92-5505) (Enc. 2)
1 - USA, Chicago
2 - Little Rock (Info)
2 - Miami (92-749)
2 - Chicago (92-1037)

DISSEMINATION RECORD OF ATTACHED REPORT

AGENCY	1-Dept 3/4/65			
REQUEST RECD.	1-USA			
[illegible]TE FWD.	11			
[illegible] FWD.	6			

NOTATIONS

NFIP

58 MAR 5 1965

U.S. GOVERNMENT PRINTING OFFICE 16—76324-1

AT LAKE WORTH, FLORIDA. Will follow and report any new developments concerning any activities by KRUSE in that area.

AT MIAMI, FLORIDA. Will continue to follow KRUSE's interest in the gambling enterprise in the Grand Bahamas and also his attempts to sell the slot machines being held in the dominican Republic.

CHICAGO

AT BROOKFIELD, ILLINOIS. Will attempt to locate JAMES FIORE, KRUSE's caretaker at his Lake Worth, Florida residence. FIORE is reportedly residing at 3415 Prairie Avenue.

AT CHICAGO, ILLINOIS. Will attempt to identify and interview [redacted] and his brother [redacted] who reportedly played golf with KRUSE and RALPH PIERCE in Hot Springs, Arkansas during a recent visit.

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ADMINISTRATIVE

The following information is set forth under this caption due to its sensitive nature or the close association between the informant and KRUSE, the dissemination of which might compromise the source:

[redacted] advised SA [redacted] on October 29, 1964 [redacted]

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CG 92-1037

[redacted] advised on December 18, 1964 that he received a telephone call from KRUSE on the morning of [redacted] at which time KRUSE told him that he was calling from Miami International Airport and that he was on his way to Palm Beach, Florida. He inquired of informant [redacted] KRUSE did not mention the purpose of his trip to Florida or his length of stay. (It is to be noted that a Chicago source advised that GUS ALEX made a trip to Miami during the weekend of November 28, 1964, and if this is so, it is possible that KRUSE may have accompanied ALEX.)

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Close liaison has been maintained with Immigration and Naturalization Service, Miami, and there has been no record of any travel by KRUSE in recent months to the Bahamas.

[redacted] at the Falcone Lounge of Eastern Airlines, Miami International Airport, Miami, Florida, advised SA [redacted] on October 29, 1964 that they do not recall KRUSE being a visitor at the Lounge, after viewing his photo. They said they would remain alert for any visits by him at the lounge in the future.

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AT HOT SPRINGS, ARKANSAS.

The following investigation was conducted by SA [redacted]

[redacted] advised on 10/22/64, KRUSE had registered at the Arlington Hotel, Hot Springs, on 10/19/64, under the name C. KESSLER, 2711 Hill Street, Joliet, Illinois, and as of 10/22/64, was occupying room #1014. He advised KRUSE is [redacted] he had never known KRUSE to use an alias in the past while in Hot Springs. Source further advised KRUSE was staying at the hotel on a "due bill"

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#4965 issued to [redacted], Joliet, Illinois, the "due bill" being valid until 4/14/65 in the amount of $1,050. Source advised he did not know the connection between [redacted] and KRUSE, and that the "due bill" was for advertisements placed by the Arlington Hotel in the Spectator publication. b6 b7C

[redacted] who was contacted on a continuing basis while KRUSE was at the Arlington Hotel, advised KRUSE played golf daily and was taking the hot thermal baths. He stated KRUSE appeared to be on vacation and he had not noted KRUSE in contact with any of the hoodlum or gambling element in Hot Springs. He advised every time he noted KRUSE in the lobby of the hotel, KRUSE was alone. b7D

[redacted] and whose identity must be protected, advised on 10/30/64, subjects KRUSE and PIERCE played golf practically every day while they were in Hot Springs. He stated they normally played together and the only other individual he had noted playing with them was one [redacted] from Chicago, Illinois. b6 b7C b7D

[redacted] advised on 10/27/64, [redacted] were both attorneys from Chicago, Illinois, who have frequented the Arlington Hotel on many occasions in the past. Source advised he did not notice KRUSE associating with either of [redacted]. b6 b7C b7D

On 10/29/64, [redacted] advised subject KRUSE checked out of the hotel at approximately 8:00 PM, 10/29/64 and indicated he would return in April of 1965. Source advised KRUSE made no long-distance telephone calls while staying at the Arlington Hotel and appeared to be in Hot Springs for rest and relaxation purposes only. b7D

Extreme caution should be used to insure the protection of [redacted] identity as pertains to any subsequent investigation based upon the above information.

[redacted] advised SA JOSEPH G. SHEA on November 13, 1964 that KRUSE left Chicago by car with his wife ELSIE at 8 AM that date, and arrived at Iowa City, Iowa to visit [redacted] and will return the following Sunday.

Informant also stated that KRUSE recently returned from Hot Springs, Arkansas with RALPH PIERCE, where they had spent about 10 days prior to the national election. [redacted] that the referendum in Arkansas regarding legalized gambling was defeated by the voters, and that on November 9, 1964, the Vapors Club and the Southern Club opened up and began gambling operations. He stated that OWNEY MADDEN and [redacted] who control the above clubs, received sanction to resume gambling operations from Governor ORVILL FAUBUS of Arkansas. Both clubs furnish high-class entertainment. Informant stated further that a new 2½ million dollar motel is being built in the downtown area of Hot Springs. He stated that construction of the building was halted immediately before the election; however, construction has since resumed. He believes that "The Outfit" is behind this construction.

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Informant stated that an additional reason for KRUSE's trip with PIERCE to Hot Springs was to attempt to set up a man in Garland County to handle bookmaking and gambling for them. This would be a front man engaged in an alleged legitimate business. However, it was necessary to obtain a 10-year resident of good character, as required by local law. Informant stated that to his knowledge these arrangements have not been completed.

[redacted] advised SA SHEA on November 27, 1964

[redacted]

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CG 92-1037

The following information was obtained by SA PAUL B. FRANKFURT:

On Sunday evening January 10, 1965, the writer spent the evening with [redacted] both at his residence at [redacted] and at Agostinos Restaurant on Delaware for dinner.

During the course of the evening [redacted] stated the Villa Venice is open now strictly for parties, banquets and weddings. He stated that they had a good night on New Years Eve.

[redacted] also admitted that a good many years ago he [redacted]. He commented [redacted] had made a great deal of money and was independently wealthy. b6 b7C b7D

[redacted] indicated he had [redacted] He said this was the way he earned his livelihood and he considered it an honest way of life. Other than this association he stated he has not participated in any of the fruits of organized crime. He stated he himself had never done anything wrong and that he was [redacted] and was well paid for his efforts. He admitted, however, he knows many hoodlums because of this association.

[redacted] stated he has been associated with LESLIE KRUSE for [redacted] and that he knew him [redacted] He said KRUSE relies on him to [redacted]

[redacted] He related KRUSE occupies the second floor at this residence and that his mother and isister reside on the first floor.

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[redacted] discussed the court trial concerning SAM DE STEFANO. He stated he had met DE STEFANO a number of years ago and recalled him to be a "loud mouth". He was of the opinion DE STEFANO was not a part of the outfit and thought he was some kind of a nut.

[redacted] advised SA SHEA on December 24, 1964 b7D that on December 23, 1964, he observed KRUSE at the Peter Epsteen Pontiac Agency, Skokie, Illinois, and left him at that agency at about 5:30 PM. At that time, KRUSE was making several telephone calls from EPSTEEN's private office.

Informant learned from KRUSE that Governor ROVILL FAUBUS of Arkansas was going to allow the Hot Springs, Arkansas gambling joints open again using the private club technique as a means of conducting illegal gambling. Informant stated that KRUSE now drives a 1965 Pontiac Bonneville black 4-door with a vinyl top. The car is air conditioned and lists for $5,350. He believes the license is 1964 Illinois 777-713.

Informant also stated that [redacted] who was returning from college for the Christmas holidays, intends to give an engagement ring to one [redacted] (LNU), a Skokie girl, on December 24, 1964. [redacted] is presently finishing her education at the National College of Education, Evanston, and will marry [redacted] early in 1965.

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Informant stated it is apparent to him that RALPH PIERCE is making "a ton of money" on policy and is cutting in KRUSE on the profits. He stated that KRUSE presently has several expenditures of operating his home and educating his children which requires considerable financial expenditure. He said that KRUSE pays a nurse $125 per week to care for his aged and sick mother at his home, and must provide

$200 per month average for each of 2 children presently in college and must also pay the costs for [redacted] who is attending Culver Military Academy, Culver, Indiana. b6 b7C

[redacted] furnished the following information to SA SHEA on January 15, 1965: b7D

Informant advised that [redacted] and during the course of dinner, observed LESLIE KRUSE enter the restaurant where he contacted [redacted] and [redacted] gambling club and [redacted] gambling operation. Both [redacted] were well dressed and held a conversation with KRUSE for an extended period. KRUSE [redacted] It is the informant's belief that KRUSE may have another gambling operation going in Lake County, Illinois, based on his meetings with [redacted] b6 b7C b7D

Informant advised that ELSIE KRUSE, wife of LESLIE KRUSE, has a virus infection and cancelled the trip planned to Florida with her husband, LESLIE. Informant stated further that [redacted] intends to quit school at Chadron, Nebraska, and will marry one [redacted] a Skokie girl allegedly from parents of modest means on 7/10/65. There will be a reception at the Villa Venice Restaurant, and there is expected to be 300 guests. Informant stated that [redacted] have been keeping company for four years. She is presently attending a national college located in Wilmette, Illinois. Informant stated that LESLIE KRUSE and his family appear to be extremely happy concerning the forthcoming wedding. b6 b7C

CG 92-1037

INFORMANTS

After careful consideration has been given to each source concealed, T symbols were utilized only in those instances where the identity of the source must be concealed. Multiple symbols were given in one instance to further protect the informant.

Source	Contacting Agent
CG T-1 is [redacted]	SA JOSEPH G. SHEA
CG T-2 is [redacted]	SA JOSEPH G. SHEA
CG T-3 is [redacted]	SA JOHN H. WILMES
CG T-4 is [redacted]	Unknown Agent
CG T-5 is [redacted]	SA [redacted]

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FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: 2/19/65

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

b6
b7C

Character: ANTI-RACKETEERING

Synopsis:

KRUSE still resides 5206 Oakton Boulevard, Skokie, and frequents Peter Epsteen Pontiac Agency. KRUSE recently at Mayo Clinic with wife and in Hot Springs, Arkansas, for vacation. Info set forth re [redacted] KRUSE reportedly owned property where Black Angus Restaurant now located. KRUSE and [redacted] closely associated. KRUSE reportedly has girlfriend named [redacted] (LNU). Info re KRUSE's part in financial backing of Pancake House set forth. KRUSE allegedly financially behind Westmont, Illinois gambling venture.

- P -

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CG 92-1037

I. SKOKIE RESIDENCE

The following investigation was conducted by SA JOHN H. WILMES:

On December 11, 1964, while in the vicinity of KRUSE's Skokie, Illinois residence, and also of Peter Epsteen Pontiac Agency, 1964 white Pontiac convertible with black top, bearing 1964 Illinois license 777-713, registered to ELSIE KRUSE, 5206 West Oakton, Skokie, Illinois, was observed in front of EPSTEEN's showroom.

Also observed at EPSTEEN's at the same time were the following licenses:

1964 Illinois [redacted] registered to [redacted]

1964 Pennsylvania [redacted] on a 1964 Oldsmobile.

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KRUSE's car was observed at EPSTEEN's around 10 AM and departed about 10:35AM.

On January 18, 1965, [redacted] Records Section, Bureau of Motor Vehicles, Commonwealth of Pennsylvania, Harrisburg, Pa., advised IC [redacted] that records of her office reflect that Pennsylvania Motor Vehicle Registration [redacted] was issued to [redacted], for a 1964 Oldsmobile sedan, VIN [redacted], Pennsylvania title [redacted].

The indices of the Philadelphia Office contain no pertinent identifiable information concerning [redacted].

II. FAMILY

CG T-1 advised on November 6, 1964 that KRUSE returned by railroad from Mayo Clinic, Rochester, Minnesota, with his wife ELSIE. ELSIE had gone to the Clinic for a leg condition and for treatment of this after a diagnosis had been made.

CG 92-1037

III. ASSOCIATES

The following investigation was conducted at Waterbury, Connecticut by SA [redacted]:

On October 29, 1964, Supt. JOSEPH GUILFOILE, Waterbury, Connecticut Police Department, advised they have the following arrest record for [redacted] at Waterbury, Connecticut:

	ARRESTED	DATE	DISPOSITION
1.	Reckless Driving Evading Responsibility	8/25/52	Discharged (two cts)
2.	Selling Liquor	10/26/52	10/28/52 Fined $100.00
3.	Selling Liquor to Minors	11/22/54	12/16/54 Fined $50.00

GUILFOILE advised that [redacted] is described as White, Male, American, Date of Birth [redacted] b6 b7C

GUILFOILE advised that on January 16, 1945 one [redacted] White, Female, American, Date of Birth [redacted], was arrested for violation of parking law and a bond of $5.00 was called. GUILFOILE advised that this was the only arrest recorded for [redacted].

GUILFOILE advised that [redacted] was [redacted] Waterbury, Connecticut Police Department Detective Bureau. GUILFOILE advised that [redacted] had left Waterbury, Connecticut approximately 6 years ago and had moved to Florida where he was supposed to work as a machinist. GUILFOILE stated that prior to [redacted] leaving

Waterbury, he had [redacted] and prior to that he had [redacted] GUILFOILE advised that [redacted] was looking for the "fast buck" and [redacted]. GUILFOILE advised that he never knew of any actual connection between known hoodlums and [redacted] however, he felt that [redacted] would have known the hoodlum elements due to his former business connections. GUILFOILE advised that he was reasonably sure that [redacted] had a financial interest in the Homestead Restaurant, and that [redacted] the property where the Homestead Restaurant is now located.

GUILFOILE advised that he felt that any interview with [redacted] should be most circumspect.

On November 2, 1964, [redacted] Waterbury Credit Rating Bureau, Inc., Waterbury, Connecticut, advised that [redacted] had been on file with their Bureau since 1937 and that they both enjoyed a satisfactory credit rating. [redacted] advised that in July, 1958 [redacted] moved to [redacted], where [redacted] was to be employed at Gaylord Engineering Co., Hypoluxo, Florida. [redacted] advised that [redacted] was born [redacted] and married [redacted] in [redacted] advised that the Waterbury Credit Bureau had furnished the Palm Beach County Credit Bureau, West Palm Beach, Florida, a report on [redacted] in July of 1958 and that they have received no further inquiries regarding [redacted] since, and have received no information regarding trade experience. [redacted] advised that she could furnish no additional information than that previously furnished to the Palm Beach County Credit Bureau.

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On January 18, 1965, a physical surveillance was conducted at the Palmer House Grill, 114 South Wabash, by SAs JOHN H. WILMES and [redacted]. The gathering of the following well-known hoodlums occurred there between 11:40 AM and 1:05 PM, and in attendance in addition to KRUSE were: MURRAY HUMPHREYS, PAUL DE LUCIA, JACK CERONE, RALPH PIERCE, [redacted] ANTHONY RINELLI, GEORGE DICKS, and Chicago hoodlum attorney MIKE BRODKIN.

CG T-1 advised in late November, 1964 that he recently learned that KRUSE formerly owned the property where the present Black Angus Restaurant is located at Western and Touhy Avenues, and sold the property to the Black Angus Restaurant [redacted] Informant stated that [redacted]EN ORLOFF, recently deceased, and who operated The Cart Restaurant, was formerly a partner in the Black Angus.

Informant stated further that [redacted] is suffering from cancer of the throat and recently met KRUSE and PIERCE while they were vacationing at Hot Springs, Arkansas.

It is noted that with regard to [redacted] KRUSE has, in the past, stayed at the Arlington Hotel in Hot Springs, Arkansas, on a "due bill" originally furnished to [redacted], thus indicating either a debt or degree of association between KRUSE and [redacted].

CG T-2 advised on November 20, 1964, KRUSE is making more frequent visits to Peter Epsteens' Pontiac Agency in Skokie, and is usually accompanied by [redacted] Skokie Attorney and friend of KRUSE. Informant stated that EPSTEEN is in some kind of trouble with KRUSE and the owners of Peter Epsteen Pontiac. He believes that EPSTEEN has been cashing the bonus rebate checks which he received on a three month basis from General Motors and has been pocketing more of the money and borrowing heavily.

Informant stated that KRUSE, [redacted] and their wives have dinner about once every two weeks at the Armory Lounge in Forest Park, Illinois.

CG T-3 advised on January 14, 1965, that he had heard KRUSE had visited the Morton Textiles, Inc. and spoke to [redacted] regarding a deal on the purchase of some furniture. Informant felt this furniture might be for the ultimate use of a girl friend of KRUSE. Informant said there was no indication KRUSE had bought any merchandise for shipment to any location outside the United States.

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IV. LEGITIMATE ENTERPRISES

CG T-1 advised in late October, 1964 that there is an apparent change in process at the Peter Epsteen Pontiac Company. It has been indicated that [redacted] is no longer connected there. Informant believes that EPSTEEN himself may be leaving the company, inferring that EPSTEEN had been taking more money out of the company than was due him. He believed the Pontiac Agency may change hands through a dummy transaction.

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FD-302 (Rev. 1-25-60)

FEDERAL BUREAU OF INVESTIGATION

1

Date 11/6/64

[redacted] and who resides at [redacted] telephone UN 9-9031, was reinterviewed concerning [redacted] located at [redacted].

[redacted] said he really did not have a great deal of information to furnish which had not been previously furnished but that the first contact made of him by the hoodlums was by [redacted] is politically linked in Skokie, Illinois and [redacted] now believes he is a wealthy man due to real estate investments. He said [redacted] knowing of [redacted] because of this requested him on several occasions to go into business and stated he would obtain the financial backing necessary to [redacted] He said that [redacted] was ostensibly his friend and representative in the business venture and he felt that this was the case until later developments disproved this. He said that other investors were [redacted] in the Chicago area and he knew that [redacted] also had hoodlum affiliations. He stated that the above investors retained their financial interest in the company for about a year and one half after which they sold out to three other individuals and he would estimate that each of the above mentioned investors acquired about $6,000 apiece profit from their investment. He said he should have sold out at this time but since his name was being used [redacted]

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He said that a [redacted] and no relation to [redacted] came in as a leader of those buying [redacted] from the above mentioned backers. He said that [redacted] is a [redacted] individual who formerly was [redacted] for both [redacted] He felt that [redacted] was absolutely no good and not much better

On 10/27/64 at Chicago, Illinois File # CG 92-373 CG 92-1037 b6

SA [redacted] bak 11/2/64 b7C

by _____ Date dictated _____

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than any of the other hoodlums. He said that they then proceeded to spend the company money on various trips and so forth soon depleting the available capital.

He said that one day his bookkeeper, [redacted] called to say that they were in trouble financially and that all the money was gone. He said that he then saw his lawyer and tried to locate the company books but learned that they had disappeared too. He then was advised by his lawyer [redacted] He said that [redacted] and that legally he can do nothing about this. He estimates that he [redacted] b6 b7C b7D

He said that the first investors in the business never gave him any trouble and seemed to be in the business for money only. He said he was not aware of their hoodlum connections until he [redacted] which so far as he is aware were almost completely all furnished by hoodlum owned outfits. He said that he had previously furnished this information. He said that it was simply a case of his investment plus theirs and they traded on his name. He said that since that time he has tried to forget all about his bad deal and has been physically shaken because of it and at one time even considered suicide.

[redacted] said that he was told on one occasion that GUS ALEX was possibly financially involved in the company because of his close association with [redacted] He said he did not know this to be a fact, however.

He also said that his bookkeeper, [redacted] has offices at [redacted], and was introduced to him and brought into the company by [redacted] originally.

CG T-2 advised in mid-November, 1964 that [redacted] for Skokie, and close friend of KRUSE, made a great deal of money fixing zoning violations.

V. TRAVEL

CG T-1 advised on October 30, 1964 that KRUSE returned to Chicago from Hot Springs, Arkansas on October 29, 1964. Informant believes it possible that KRUSE may have come into town on Thursday night and stayed with a girl friend of his who resides in the Sauganash area, 3 blocks east of Cicero Avenue, off of Peterson Avenue on the north side. Informant stated that KRUSE occasionally visits this woman who has a son who occasionally resides or works in Florida. Her name is possibly [redacted] (LNU).

CG T-4 advised on October 22, 1964, that KRUSE had stayed at the Arlington Hotel, Hot Springs, Arkansas from October 19, 1964, to October 29, 1964. Informant advised that KRUSE played golf practically every day with RALPH PIERCE, and on one occasion, played with a [redacted] from Chicago. Informant advised that one [redacted] are Chicago attorneys and who have come to Hot Springs on many occasions in the past. b6 b7C

CG T-1 advised in mid-December, 1964 that he learned that KRUSE, on his most recent trip to Florida when he sold his Florida home, was accompanied by [redacted] also known as [redacted] The trip lasted 2 days and informant understands that [redacted] owes KRUSE a sum of money.

The Miami Division has maintained close liaison with the Immigration and Naturalization Service in Miami and there has been no record of any travel by KRUSE in recent months to the Bahamas.

[redacted] b6 b7C

at the Falcone Lounge of Eastern Airlines, Miami International Airport, advised SA [redacted] on October 29, 1964 that they do not recall KRUSE being a visitor at the lounge after viewing a photograph. They said they would remain alert for any visits by him in the lounge in the future.

VI. GAMBLING

CG T-5 advised December 31, 1964, that there is a large crap game going at Westmont, located about 40 miles from Chicago in Du Page County. The game is backed by LESLIE KRUSE and possibly ROCCO POTENZO. The exact address of this game is not known to the informant because to get admitted one must meet at Russo's Steak House and they will take you there. Informant does not know anyone working at the game.

VII. INVESTMENTS

Date 11/17/64

1.

[redacted] for Thomson and Kc Kinnon, 231 South La Salle Street, Chicago, Illinois, advised that LES KRUSE was last in his office in July of 1964. At this time he had a normal conversation with him regarding stock investments and KRUSE bought an additional 50 shares of American Telephone and Telegraph stock.

[redacted] said that he originally met KRUSE through the late BUD LUTHER who was a broker for this firm until his death. He said that LUTHER resided in Crystal Lake or Channel Lake located in Northern Illinois. [redacted] was not aware of how LUTHER ever obtained KRUSE's account or whether he was the original contact with KRUSE.

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b7C

On 11/16/64 at Chicago, Illinois File # CG 92-1037

by SA [redacted] MAB/acm Date dictated 11/17/64

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
February 19, 1965

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Reference is made to report of Special Agent [redacted] b6 b7C [redacted] dated and captioned as above

All sources (except any listed below) whose identits are concealed in referenced communication have furni shed reliable information in the past.

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
February 19, 1965

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and his activities.

Chicago T-2 is an individual acquainted with Kruse and his activities.

Chicago T-3 is an individual acquainted with activities of some of Chicago's hoodlums.

Chicago T-4 is an individual acquainted with some hoodlum activities in Hot Springs, Arkansas.

Chicago T-5 is an individual acquainted with hoodlum activities in the Chicago area.

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63 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	5/12/65	2/19 - 5/12/65

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] TYPED BY: acm

CHARACTER OF CASE

AR

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b7C

REFERENCE: Report of SA [redacted] dated 2/19/65 at Chicago.

- P -

ENCLOSURES

TO BUREAU (2)

Enclosed for the Bureau are 2 copies of a letterhead memo setting forth a characterization of informants.

LEADS

MIAMI

AT LAKE WORTH, FLORIDA. Will follow and report any new developments concerning activities by KRUSE in that area and specifically with regard to the sale of his remaining real estate.

APPROVED [redacted] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

(3) - Bureau (92-5505) (Enc. 2)
1 - USA, Chicago
2 - Miami (92-749)
2 - Chicago (92-1037)

263 REC 30

4 MAY 24 1965

Dissemination Record of Attached Report				
Agency	1-Dept 10-2-65			
Request Recd.	1-O 1-O			
Date Fwd.				
How Fwd.	[redacted]			
By				

Notations: NINE STATE DEPT.

65 JUN 3 1965

AT MIAMI, FLORIDA. Will continue to follow KRUSE's interest in the gambling situations in the Grand Bahamas and other islands, and also his attempts to sell the slot machines being held in the Dominican Republic.

CHICAGO

AT CHICAGO, ILLINOIS. 1. Will continue attempts to identify and interview [redacted] reported associates of KRUSE. b6 b7C

2. Will continue to conduct investigation into the associates, activities, and investments of KRUSE.

ADMINISTRATIVE

PCI [redacted] advised on January 29, 1965, as follows concerning [redacted] and reportedly has a financial investment.

She advised that while she was [redacted] b6 b7C b7D

[redacted]

[redacted]

and EPSTEEN is on the Board of Directors. [redacted] and EPSTEEN eat dinner frequently, she believes it is Tuesday nights, together.

She has stated in the past that she is convinced that LESLIE KRUSE either owns or holds a strong financial interest in EPSTEEN and has seen him there frequently. On one occasion [redacted] at EPSTEEN's and the switchboard there can reach him if he is not there. She stated that EPSTEEN has a board in his private office which permits him to merely pull a switch and monitor all calls in the Epsteen Company. When [redacted]

KRUSE uses an office which is located on the right side of the hallway just before entering EPSTEEN's private Office and where KRUSE makes his telephone calls.

EPSTEEN states that he hates the hoodlums and associating with them but she said that he still does it and apparently enjoys it. EPSTEEN professes to hate [redacted] and continually states that he is going to buy [redacted] out. It is noted that [redacted] is [redacted] of the Epsteen Pontiac Company and also the Epsteen Rambler Company.

She stated that EPSTEEN resided in the home of [redacted] for a period of time before ever marrying her and that they were married only six months when the baby was born. Regarding [redacted] EPSTEEN has stated, "I'm tired of paying all his bills." Yet, according to the informant, EPSTEEN furnishes his father-in-law with an automobile.

She stated that [redacted] also gets a car and plates from EPSTEEN every year and this never ceases to amaze her because she considers [redacted] nothing but an errand boy for KRUSE stating that he runs errands for LES daily. She said also that [redacted] used to try to show off in front of her and others by reaching into each of his pockets and pulling out a quantity of money and bragging about it.

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b6
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On February 21, 1965, SA PAUL B. FRANKFURT met with [redacted] at Landel's Restaurant, Skokie, Illinois. During the course of the evening, [redacted] commented that [redacted] has recently suffered a heart attack and that he, [redacted] and look for something else. When questioned as to what he had in mind, he stated he did not have anything to look forward to as of the moment and that he expected to find something to do. [redacted] also mentioned that LESLIE KRUSE had sold his Florida home sometime ago. He also mentioned KRUSE is particularly fond of fine paintings and that he had purchased a number for his own home. He further stated [redacted]

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[redacted] advised SA JOSEPH G. SHEA on March 9, 1965, that LESLIE KRUSE, according to [redacted] had left Chicago on March 8, 1965, for Florida and that his wife, ELSIE, had left on the same day to visit her mother in California. Informant stated that it was possible that KRUSE might go to Puerto Rico since he had been talking recently about the gambling operation at the Carib Hilton Hotel, Puerto Rico. During the discussion about the Carib Hilton Hotel, KRUSE stated that the gambling operation there is going very well, and that the casino is employing New York and Cleveland individuals for its gambling operation at the Hotel. KRUSE remarked that employment of these individuals keeps the heat off the Chicago group interested in the gambling at this hotel.

This informant also advised on March 16, 1965 as follows:

THE FOLLOWING INFORMATION SHOULD BE TREATED WITH UTMOST DISCRETION SINCE THE INFORMANT WAS PRESENT AT THE FOLLOWING DESCRIBED MEETING:

Informant stated that on [redacted]

[redacted]

Informant stated that [redacted] is an extremely intelligent individual and has been [redacted] is described as male, white, age [redacted]

Informant stated that he learned that LESLIE KRUSE is the representative of GUS ALEX at Peter Epsteen Pontiac Agency, and that KRUSE is the actual boss of this agency. He stated that KRUSE received a cut of the profits and that [redacted] represents the ownership of the downtown members of organized crime in this agency. He indicated that EPSTEEN gets part of the profit from the operation of the agency, but appears to be financially in distress and frequently borrows money from "outfit" individuals.

Informant stated that [redacted] in the Peter Epsteen Pontiac Agency, now has his own car agency at either [redacted] where he sells all types of automobiles.

Informant advised [redacted] LESLIE KRUSE upon his return from a trip out of town on Sunday last, March 14, 1965. KRUSE did not say where he had been since the preceding Friday, but indicated he had played golf and appeared to have a tan. Informant stated that ELSIE KRUSE had returned to her Skokie home and was home on Sunday, March 14, 1965.

Informant advised that he learned that LESLIE KRUSE goes out to dinner approximately twice a week with [redacted] Skokie attorney, and his wife.

CG 92-1037

INFORMANTS

After careful consideration has been given to each source concealed, T symbols were utilized only in those instances where the identity of the source must be concealed. Multiple symbols were given in one instance to further protect the informant.

Source	Contacting Agent
CG T-1 is [redacted]	SA JOHN H. WILMES
CG T-2 is [redacted]	SA JOSEPH G. SHEA
CG T-3 is [redacted]	SA JOSEPH G. SHEA
CG T-4 is [redacted]	SA RICHARD B. KELLOGG

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b7D

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: CHICAGO b6 b7C
Date: 5/18/65

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis:

[redacted] to marry 7/10/65 and presently attending school in Aurora, Illinois. Information regarding associates set forth. KRUSE meets Sunday mornings in Glenview, Illinois restaurant re bookmaking activities, and also meets frequently at H & H Restaurant. JAMES FIORE not interviewed by orders of his attorney. Info re KRUSE's Nu Way Plumbing Company set forth. KRUSE's auto seen at Nu Way 4/13/65 bearing 1965 Illinois license 737-373. Attempts by KRUSE to sell Florida property set forth. Info re JAMES FIORE's recent trip to Florida set forth. KRUSE allegedly frequenting Fountainbleau Hotel, Miami, and going to off-shore islands to buy gambling establishments. KRUSE observed at Cork Restaurant, Skokie, Illinois, under unusual circumstances.

- P -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037

DETAILS:

I. FAMILY

CG T-1 advised on January 27, 1965, that he had learned that LESLIE KRUSE had gone to Morton Textiles of Chicago in December, 1964 to purchase furniture for his mother residing in Skokie, Illinois.

It is noted that KRUSE recently had a new addition put on his home and had it furnished for his aging mother.

CG T-2 advised in early February, 1965 that [redacted] is to be married July 10, 1965 and intends to honeymoon in Hawaii. The reception at the Villa Venice Restaurant should be well attended by numerous hoodlums, and [redacted] crime. Informant stated [redacted] is presently attemding a school, possibly a Jesuit School, in the Aurora, Illinois area. b6 b7C b7D

II. SKOKIE RESIDENCE

On March 30, 1965, SA JOHN H. WILMES observed the following automobile parked in KRUSE's driveway:

1956 white Plymouth convertible with black top, bearing 1965 Illinois license [redacted] b6 b7C

This license is listed to [redacted] on a Plymouth.

It is noted that an automobile listed to KRUSE has previously been observed on occasions in KRUSE's drive.

III. ASSOCIATES

CG T-2 advised on March 24, 1965 that [redacted] in the Peter Epsteen Pontiac Agency, Skokie, Illinois, is now [redacted], telephone number [redacted] sells all types of automobiles, including foreign makes, at this agency. [redacted]

CG T-3 advised on April 22, 1965, that LESLIE KRUSE now meets each Sunday morning at 10 AM with NICK and GEORGE BRAVOS, and [redacted] at Alice's Steak Shop, located on Rand Road near the Dolphin Motel, Glenview, Illinois, concerning their bookmaking activities. Informant believed it is possible that a crap game may take place on occasions in the basement of Alice's Steak Shop.

Informant also stated that [redacted] has been meeting LESLIE KRUSE on a regular basis at about 2:30 PM each day at the H & H Restaurant [redacted] The informant further advised that RALPH PIERCE and KRUSE meet on a regular basis each morning in a restaurant located in the basement at 55 East Washington. Regarding [redacted], KRUSE indicated he dislikes the man and calls him a "big, no-good, obscene individual". [redacted]

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b7C

On April 29, 1965, SAs WILMES and [redacted] attempted to contact JAMES FIORE at 3415 Prairie Avenue, Brookfield, Illinois. Answering the door was an individual identifying himself as [redacted] who stated he is [redacted] and has not seen JAMES for the past two weeks, although he occasionally hears from him. He said that JAMES is single and never home. [redacted] stated that he is [redacted] in the Superior Court of Cook County, and works at 26th and California. [redacted] promised to advise [redacted] that he was being sought for questioning by Bureau Agents, and was furnished the names and phone numbers of the Agents.

On May 3, 1965, [redacted] who is a close associate of Chicago crime syndicate leader SAM GIANCANA, contacted SA [redacted] telephonically to advise that he was representing JAMES FIORE and wanted to know why he was being questioned or sought. He stated that FIORE had been interviewed on numerous occasions in Florida by Bureau Agents and he could see no further reason for additional questioning, and would, therefore, refuse to let him be interviewed. He stated that he always advises his clients to refuse to be interviewed by the FBI or any police agency. When he was reminded that he was not even aware of the nature of the intended interview, he stated he automatically advises his clients to refuse any such interview. b6 b7C

It is noted that [redacted] is known to have close contacts with high ranking members of Chicago crime syndicate leaders and their attorneys.

IV. LEGITIMATE ENTERPRISES

CG T-3 advised on January 27, 1965, that the Nu-Way Plumbing Company, in which LESLIE KRUSE is reportedly a major stock holder, is closely associated and performs contract work with the Corbett Construction Company which does a great deal of contracting work in the Chicago area. Informant advised further that the Corbett Construction Company was at one time known as the Corbetti Construction Company and it is believed that two of the principal owners of this company are of Italian deriviation and have "close" outfit connections. Informant stated that Nu-Way has many quality contracts presently in effect, one being the Champagne, Illinois area - property of the University of Illinois. He stated that they have set up permanent headquarters there due to the size of the plumbing contract. He indicated further that they are doing plumbing work for the University of Illinois being constructed in the Chicago area. Informant stated that the beer coil business, formerly lucrative for Nu-Way, has decreased

considerably because of new techniques of installing kegs of bear in taverns, etc. Informant stated that several weeks ago, LESLIE KRUSE was taking $180 per week from the Nu-Way Plumbing Company, which he considered was due him for obtaining contracts for the company. He was approached by the Internal Revenue Service who indicated that this type of payment from the company was not allowable, at which time he decided he would then leave the company as an executive or woner and become a stock holder, which he did.

On April 13, 1965, at 10:30 PM, LESLIE KRUSE's 1965 Pontiac Bonneville was observed parked on the west side of Kedzie, across from the Nu-Way Plumbing Company. It has a PETER EPSTEEN sticker on the front lid, an antenna on the right rear deck, a Skokie vehicle sticker on the left front window shield, and a yellow sticker on the rear window, right side. This car bears, 1965 Illinois license 737 373 and was still parked in its place at 11:30 AM on this date. b6 b7C

V. INVESTMENTS

On March 11, 1965, Captain [redacted] of the Skokie Police Department, advised that he has been a member of the Skikie Police Department for [redacted] years. He has known LESLIE KRUSE for most of his life. He said that KRUSE was born and raised in Skokie and is known by most of the old timers in Skokie. He said that KRUSE may have been involved in the financing and building of a shopping center in South Skikie near Carpenter Road; however, after having a dispute with the fire department, it is believed that this was discontinued. [redacted] said he has some belief that KRUSE is financing the new apartment buildings going up next door to KRUSE's present address on Oakton Street; however, he cannot prove this.

It is noted that on two occasions, a 1965 Pontiac with a PETER EPSTEEN sticker on the front, has been observed in front of KRUSE's residence. This car bears 1965 Illinois license DL 120DX. It is noted that this is a license issued to EPSTEEN Pontiac. On one occasion the driver of this car was observed to leave KRUSE's residence with the car and pro-

[redacted] said subject is apparently still trying to get in excess of $20,000.00 for those lots, and &7,000.00 or $8,000.00 for the lots across the street from the [redacted] residence, which subject owns.

[redacted] said just after Christmas, 1964, JIMMIE FIORE, who used to be the caretaker at the subject's residence in Lake Worth, [redacted] b6 b7C b7D

[redacted] said he believed if subject were in town [redacted] He said if subject does show up in Lake Worth, he will advise.

On January 11, 1964, [redacted] said the only time he has seen subject since [redacted] in Lake Worth was about a week before Christmas, 1964, when he stopped by for just a short time and said he was on his way back to Chicago. He said he did not know where subject had been prior to stopping by, but he stopped by to try to sell [redacted] the lotts adjoining his house there and/or the lots across the street, all of which are owned in subject's name. [redacted] said he has no intention of buying the lots unless he knows he can move them or unless the price is too good to pass up, but at present the price is not that good. [redacted] said subject has called him from Chicago from time to time trying to sell him the lots and a man who called himself [redacted] called once from Chicago to talk about the lots but did not seem too interested. [redacted] said he knows of subject's reputation, having been interviewed about subject in past years, but has found nothing about subject's [redacted] which might be pertinent to any illegal activity on the part of subject. b6 b7C

[redacted] was recontacted on January 18, 1965 and January 27, 1965 and said he had not seen subject, was rather sure he had not been in the neighborhood, and that he had spoken from time to time with [redacted] had not mentioned subject's having been around. b6 b7C b7D

On January 28, 1965, [redacted] who is an acquaintance of KRUSE's, advised he has not seen nor heard from KRUSE and had no reason to think he had been in the area in recent months. b6 b7C

On January 28, 1965, CG T-4 advised he has had no contact with KRUSE in recent months.

[redacted] Avis Rent-A-Car, Miami International Airport, Miami, Florida, advised SA [redacted] on February 23, 1965 that she could not locate a record of the subject having rented an Avis car on November 28, 1964.

[redacted] who is employed as [redacted] for the Miami Beach Kennel Club, was contacted by SA [redacted] on February 23, 1965. He refused to be interviewed, stating "He did not want to be asked any questions about LESLIE KRUSE or anyone else." b6 b7C

The following investigation was conducted by SA RICHARD B. KELLOGG at Lake Worth, Florida:

On March 4, 1964, [redacted] that residence from subject, while being interviewed in another matter, advised that he had heard from KRUSE or from JAMES FIORE, the former caretaker at that address for KRUSE, on several occasions and they both said KRUSE would be coming to Florida and would visit him, but he never showed up. He said he heard from them and expected a visit from subject concerning the possibility of his buying from subject other property subject still owns in the area of his old house there. He added, however, he has no intention of buying that property, at least at the price subject is asking. He said he finally told subject over the telephone he was tired of taking care of subject's property in Lake Worth, so about March 1, 1965,

the property was given to the Fearnley Company, realtors in Lake Worth, for sale. [redacted] said he did not know who arranged for the Fearnley Company to handle the property or how it was done, but he hoped he would now have nothing more to do with subject. b6 b7C

On April 26, 1965, [redacted] advised that so far as he knows, subject has not as yet sold the property he owns on Notre Dame Blvd. in Lake Worth and the Fearnley signs are still on the property. [redacted] said he has not seen KRUSE since he sold his house there, but he did see subject's former caretaker, JAMES FIORE, about two weeks ago in Lake Worth. [redacted] said FIORE showed up unannounced driving what [redacted] believed to be a new Pontiac which he claimed was his and which had Illinois license plates. He told [redacted] he had driven to Florida and brought with him the woman with the two children who used to visit him from Chicago when he was living at the KRUSE place in Lake Worth. [redacted] said FIORE had previously said these people were his friends, and once said they were KRUSE's friends, and he never did identify them by name. Shortly after arriving in Miami with these persons, the woman got a very sore throat and it was necessary for her to return with her children to Chicago. She was too sick to drive all that distance so FIORE sent them back on the plane. FIORE said he was in West Palm Beach because he had driven the woman and her children to West Palm Beach from Miami to catch a plane for Chicago. He did not explain why he had done this. [redacted] said FIORE indicated only that they were staying "with friends" in Miami. FIORE called a local motel about staying the night, but decided not to stay when a $20.00 rate was quoted to him. He then left indicating he would see or be in touch with [redacted] on the following day, but he has not seen or heard from him since. [redacted] said FIORE did not say what he had been doing. He said he did not see much of KRUSE, but he talked to [redacted] about buying KRUSE's property in Lake Worth for finding a buyer for it, and told him if he could find a buyer to contact KRUSE. b6 b7C b7D

[redacted] said FIORE also indicated that KRUSE was having a lot of pressure put on him by the FBI and by Internal Revenue and was thinking about selling his plumbing business and leaving Chicago, but he was not more specific about this.

[redacted] said one [redacted] who works for the Fearnley real estate company in Lake Worth apparently is handling subject's property there. He said [redacted] told him he had been contacted by subject's attorney, not further identified, to sell this property for subject and he was told by this attorney to try to get about $27,000 for the improved property and $9,000 for the unimproved property across the street from subject's former house. [redacted] said [redacted] indicated the property would never sell at those prices and he had tried to call KRUSE and had written to him trying to get a better price to quote, but KRUSE just will not talk to him on the telephone and will not answer letters. b6 b7C b7D

[redacted] said [redacted] indicated to him that KRUSE was apparently travelling to Florida with some regularity where he stays at the Fontainebleau Hotel at Miami Beach, Florida. [redacted] indicated that subject and [redacted] or some such official of that hotel are travelling regularly to, he believed, the Virgin Islands where they are looking over some gambling establishments with the idea in mind of buying them. [redacted] said he did not know where [redacted] got this information or if there was, in fact, anything to it, but added [redacted] swore him to secrecy before he told him this.

VIII. HANGOUTS

CG T-2 advised on April 6, 1965 that KRUSE can still be contacted almost daily at the Peter Epsteen Pontiac Agency, Skokie, Illinois.

On April 26, 1965, Chief KENNETH CHAMBERLAIN, Skokie Police Department, advised that one of his officers namely [redacted] observed KRUSE early on this date leave his residence and travel to the Cork Restaurant on Dempster Street at 8 AM. b6 b7C

KRUSE travelled to this restaurant in a very devious and round-about manner, obviously in an attempt to lose any possible surveillance. He then drove around the block and twice through the alley before parking and entering the restaurant. CHAMBERLAIN stated the interesting part of this situation was that the Cork Restaurant is not opened to the public at this hour and he felt that this indicated some fort of clandestine meeting by KRUSE.

It is noted that it has been reported in the past that KRUSE met with Lake County gamblers [redacted] and [redacted] in this restaurant. b6 b7C

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
May 18, 1965

In Reply, Please Refer to File No.

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] dated and captioned as above. b6 b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
May 18, 1965

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and limited amount of his activities.

Chicago T-2 is an individual who is acquainted with Kruse, his associates, and activities.

Chicago T-3 is an individual acquainted with Kruse and his activities.

Chicago T-4 is an individual acquainted with Kruse in the state of Florida.

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FD-263 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	8/19/65	5/19-8/9/65

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] TYPED BY: rr

CHARACTER OF CASE

AR

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REFERENCE: Report of SA [redacted] dated May 18, 1965, at Chicago.

ENCLOSURES -P-

TO THE BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memorandum setting forth a characterization of informants.

LEADS

MIAMI

AT LAKE WORTH, FLORIDA. Will follow and report any new developments concerning any new activities by KRUSE in that area, specifically regarding the sale of his remaining real estate.

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

3 - Bureau (92-5505) (~~Encls. 2~~)
1 - USA, Chicago
3 - Miami (92-749)
2 - Chicago (92-1037)

92-5505 3,5,4 REC 37

AUG 23 1965

Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

57 SEP 10 1965

AT MIAMI, FLORIDA. Will continue to follow KRUSE's interest in the gambling situations in the Grand Bahamas and other islands, and also his attempts to sell the slot machines being held in the Dominican Republic.

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct investigation into the associates' activities and investments of KRUSE.

ADMINISTRATIVE

[redacted] advised on May 1, 1965 that he has not heard from LES KRUSE or any of the Chicago associates of KRUSE, including RALPH PIERCE, and further, that his relationship with KRUSE [redacted]. Informant does not know of any travel by KRUSE or his associates to Santo Domingo during recent months.

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[redacted] advised on May 6, 1965, that [redacted]

Detective [redacted] Miami Shores, Florida Police Department, advised on May 6, 1965, that [redacted] who had resided in [redacted] during the winter seasons prior to 1962, no longer maintains a residence in that community.

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Other Miami informants have been unable to furnish information relating to [redacted]

[redacted] advised SA JOSEPH G. SHEA on April 26, 1965,

b7D

[redacted] KRUSE [redacted] about his intended trip to Hot Springs. At that time, KRUSE still intended to make the trip, however, since OWNIE MADDEN had died at Hot Springs, KRUSE was making other plans and would not make the trip. KRUSE's only comment concerning MADDEN's death was "he was a nice guy." The following information was obtained from [redacted] by SA PAUL B. FRANKFURT: b6 b7C b7D

On Sunday, 5/23/65, the writer spent the evening with [redacted]. During the course of the evening [redacted] gave the writer a tour of [redacted] Lawn equipment and small tools are also stored in the garage.

In the building directly [redacted] residence, there is a building [redacted] b7D

Also during the course of the evening [redacted] admitted he had [redacted] several years ago and used to go there frequently. [redacted] now stated he is working with [redacted]

After some questioning [redacted] admitted LESTER KRUSE has an interest in Nu-Way Plumbing Company.

[redacted] advised SA [redacted] on May 1, 1965, that he has not heard from KRUSE or any of his Chicago associates, including RALPH PIERCE. Informant stated that if KRUSE was in the Miami area during the past winter season, he did not contact him. He said that [redacted]

[redacted] was recontacted on June 8, 1965, by SA [redacted] at which time he advised that he has not heard from KRUSE and has not received any information that he possibly was in the Florida area since last contacted. Informant stated that [redacted]

[redacted] advised SA SHEA that LESLIE KRUSE, traveling alone, went to Genoa, Wisconsin on June 29, 1965 and returned to Chicago July 1, 1965. KRUSE, according to the informant, stayed at the Nippersink Lodge in Genoa City, about twelve miles from Lake Geneva, Wisconsin. KRUSE allegedly went there to play golf and did not know if he was accompanied by his wife, ELSIE. b6 b7C b7D

Informant stated that when the Federal Grand Jury subpoenas were being issued to some of the Chicago hoodlums, KRUSE, expecting one to be issued to him, [redacted]

Informant further advised that Weddings, Incorporated, 109 East Oak Street, Chicago, Illinois, will handle the [redacted] marriage. According to the informant, 600 invitations will be mailed and they expect about 1,000 persons to attend the wedding. b6 b7C

Informant displayed an invitation which he had received to the wedding, which indicated that [redacted] b6 b7C invited the recipient to the marriage of their daughter [redacted] to the nuptial mass at St. Peter's Catholic Church, 8100 Niles, Center Road, Skokie, Illinois, on July 10, 1965, at 10:30 a.m. A card accompanying the wedding invitation indicated that a luncheon for the wedding couple would be held at the Villa Venice Restaurant following the service, the luncheon to be held at 2855 South Milwaukee Avenue, Northbrook, Illinois, which is the address of the Villa Venice Restaurant.

According to the informant, KRUSE intended to give the couple a trip to Hawaii as his wedding gift.

The following information was obtained from [redacted] by SA PAUL B. FRANKFURT:

On Sunday evening, July 11, 1965, the writer was in contact with [redacted] During the course of the evening, it was learned that [redacted] was married on Saturday, July 10, 1965, at St. Peters Church in Skokie. The wedding party consisted of five bridesmaids and ushers and included [redacted] who is now attending Culver Military School. After the wedding, there was a luncheon and reception held at the Villa Venice at which approximately 350 guests attended. 100 of these guests were invited by the bride. Source commented that [redacted] was among those who attended the wedding luncheon but stated there were a number of people who did not come as they were apparently concerned that they might be served with a subpoena. Source stated neither BIEBER nor BRODKIN were in attendance as they were invited to another wedding held on the same day. b6 b7C b7D

It was further learned that LESTER KRUSE, as a wedding present, is giving the bride and groom a honeymoon in Hawaii.

Source further remarked that he has an appointment to contact someone at the Bureau of Internal Revenue concerning the inheritance of a small quantity of Central and Southwest Stock which he received when his sister passed away some years ago. He stated he had been a missing heir for a number of years and that dividends had accrued to the stock and that he had claimed only the dividends since the receipt of the stock and had not paid the approved interest as income as this money had been paid as a finders fee to the party who located him and was therefore, an expense in connection with the receipt of this stock.

CG 92-1037

INFORMANTS

Multiple symbols were furnished to the informant in this report, who is extremely close to KRUSE and this was done to provide additional protection for him.

SOURCE	CONTACTING AGENT
CG T-1 [redacted]	SA JOSEPH G. SHEA
CG T-2 [redacted]	SA JOSEPH G. SHEA
CG T-3 Intelligence Unit, CG Police Department	
CG T-4 [redacted]	SA JOSEPH G. SHEA
CG T-5 [redacted]	SA [redacted]
CG T-6 [redacted]	SA JOSEPH G. SHEA

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COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: [redacted]
Date: 8/19/65

Office: Chicago

Field Office File #: 92-1037

Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

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b7C

Character: ANTI-RACKETEERING

Synopsis: Information set forth regarding activities of KRUSE's family particularly regarding the wedding of [redacted] 7/10/65. Considerable information obtained regarding this wedding. KRUSE's association with [redacted] set forth. KRUSE reportedly has 25 slot machines stored in the Dominican Republic. KRUSE expecting a subpoena from the Federal Grand Jury, Chicago. Some of KRUSE's hangouts identified.

-P-

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CG 92-1037

DETAILS:

I. FAMILY

CG T-1 advised on June 10, 1965, that KRUSE had attempted to place [redacted] in the employment of Dominic's Supermarket during [redacted] summer vacation from Culver Military School. Dominic's Supermarket would not employ [redacted] due to his age of [redacted] which according to the informant was a source of irritation to KRUSE. Informant indicated there is some connection between Dominic's Supermarket and the hoodlum element in Chicago.

CG T-1 advised on July 22, 1965, that [redacted] turned [redacted] years of age and is presently working at Dominic's Supermarket as a bag packer.

II. WEDDING OF RICHARD KRUSE

CG T-2 advised in early May, 1965 that KRUSE is busily preparing for the wedding of [redacted] to take place July 10, 1965, and a reception for 800 guests to be held at the Villa Venice Restaurant. Informant stated that they expect approximately $20,000 in wedding gifts. b6 b7C

CG T-1 advised that [redacted] expects to marry [redacted] who presently is employed at Marshall Field and Company and attends college at night. He stated that the [redacted] family has no connections with organized crime to his knowledge.

CG T-2 advised on June 25, 1965 that KRUSE has mailed approximately 1,000 wedding invitations to individuals who will be guests at the wedding of [redacted] for 10:15 a.m., July 10, 1965 at St. Peters Roman Catholic Church, 8600 Niles, Center Road, Skokie, Illinois. A luncheon will follow the wedding at about noontime at the Villa Venice Restaurant. Informant stated that the bride's name is [redacted], and they will honeymoon at Chadron, Nebraska in a home which they will rent, several miles from the campus where both will attend school this coming fall. Informant stated that [redacted] has one more year of college to receive her degree in education. Informant stated further that [redacted] is presently working at Castelli's Stamp and Coin Company, located on North Dearborn Street, Chicago.

Informant advised that LESLIE KRUSE, his wife, [redacted] and his fiancee [redacted] left for Minnesota on June 25, 1965, where [redacted] was to be best man at a wedding of one of his college friends. The KRUSEs were expected to return to Chicago on Sunday, June 27, 1965. b6 b7C

The following article appeared in the Chicago Sunday Sun-Times of July 11, 1965:

"Ganglands summer social season opened Saturday with a blowout staged by Les (Killer Kane) Kruse, the mob's expert on casinos and crap games.

"Crime syndicate gangsters clustered at Kruse's party in a roadhouse as thickly as high-rolling dice shooters around a crap table.

"The lawn party and reception at the Villa Venice, on Milwaukee Av. near Wheeling, was arranged by Kruse to celebrate the marriage of his son, Richard, 23, and Carol Ann Ann Virgilio, 22, of 5006 W. Jarvis, Skokie.

"More than 2,000 persons, including the mob's upper echelon and its gambling fraternity, were summoned by Kruse to the reception, according to the Chicago Police Intelligence Division.

"Many of the invitations were sent out by Kruse himself in contrast to legitimate society's custom that calls for the invitations to be issued by the bride's family.

"Intelligence Division detectives who watched the Kruse fete said that most of the hoodlum guests carried envelopes of cash for the bride and bridegroom.

"Among the gangsters spotted by police as they wheeled through the gates of the Villa Venice in limousines and rented cars were Tony Accardo, Gus Alex, Sam Battaglia, Phil Alderisio, Rocco Potenza and the mob's fixer, MURRAY Humphreys.

'Gangsters who work with Kruse in the operation of the mob's big floating crap game functioned as masters of revels at the party.

"The dice game bosses who assisted Kruse in throwing the wing-ding included Richard Bernas and August Dierolf (Gus) Liebe.

"No gangsters appeared at the wedding ceremonies in St. Peter Catholic Church, 8100 Niles Center Rd., Skokie.

"For years, the elder Kruse steered the mob's $100,000-a-night floating crap game through Cook, Lake and Will counties.

"The game was raided frequently but submerged only temporarily to bob up again in a new location.

"It finally was torpedoed by Federal Bureau of Investigation agents in late 1964 with a raid on a Highwood club, where Kruse had berthed his dice game."

The following article appeared in the Chicago, July 11, 1965 edition of the Chicago Sunday Tribune:

"MOB LEADERS SEE MARRIAGE OF SON OF PAL

"The elite of the crime syndicate turned out yesterday for the wedding of the son of one of their members.

"On hand were Murray (The Camel) Humphreys, Felix (Milwaukee Phil) Alderisio, Sam (Teetz) Battaglia, John (Jackie the Lackey) Cerone, Charles (Chuck) English, Ralph Pierce Gus Liebe, and Rocco and Thomas Potenza.

"They were there for the wedding of Richard Kruse, 23, son of Lester (Killer Kane) Kruse, a gambling chieftain, and Miss Carole Virgilio, 21, Kruse lived at 5206 Oakton st., Skokie. Miss Virgilio also was from Skokie.

"The wedding mass was said in St. Peter's Catholic church, 8116 Niles Center rd.

"The group then adjourned to a lawn party and reception at the Villa Venice restaurant in Northbrook.

"Circulating among the guests were members of the Skokie and Chicago police departments and the Federal Bureau of Investigation.

"Lester Kruse often has been arrested for questioning about his gambling activity. He is operator of a floating crap game in which dice roll for as much as $100,000 a night."

CG T-2 advised in early July, 1965, that [redacted] fiancee, [redacted] works part-time in the millinery department at Marshall Field and Company, Chicago. He also advised that she is the youngest of two daughters in the [redacted] family, who reside in Skokie, Illinois.

CG T-3 furnished a lengthy list of names and automobile licenses of individuals present at the above wedding at St. Peters Catholic Church and at the Villa Venice Restaurant, which took place between noon and 5:00 p.m. on Saturday, July 10, 1965. This list of notorious individuals and others listed exactly the same known hoodlums as those appearing in the foregoing newspaper article. There were additionally listed several cars with out-of-state licenses which are being identified. The complete report as obtained from CG T-3 is being maintained elsewhere in this file. b6 b7C

One of the license numbers observed by CG T-3 was [redacted] a 1965 Ohio license plate on a Buick, which was reportedly registered to a [redacted] This vehicle was observed parked in the subject's driveway, prior to his leaving for the church and LESLIE KRUSE was later observed driven from his home to the church in this vehicle.

At Toledo, Ohio, the following investigation was conducted by SA [redacted] on August 2, 1965:

Reviews of current Toledo, Ohio area directories, determined no information regarding [redacted] It was noted that [redacted] is a non-existent address.

Records of the Toledo Credit Bureau contained no identifiable information to [redacted]

CG T-4 advised in late July, 1965, that LESLIE KRUSE held a party at the Evanston Country Club on July 10, 1965 after the wedding reception for [redacted] held in the afternoon of July 10, 1965 at the Villa Venice Restaurant. According to the informant, numerous members of the Chicago hoodlum element attended the party at the Evanston Country Club.

Informant stated that [redacted] returned to Chicago from their honeymoon in Hawaii on July 24, 1965.

III. SKOKIE, ILLINOIS RESIDENCE

On April 29, 1965, KRUSE's automobile was observed parked next to his residence in his driveway by SA JOHN H. WILMES, and it was determined that the 1965 license number on this car was 737-373. It was also noted that across the street from KRUSE's residence was a 1965 Pontiac bearing Illinois license DL 120 DX. This is one of the license numbers issued to the Peter Epsteen Pontiac Agency on Lincoln Avenue in Skokie, Illinois. At approximately 12:20 p.m. on this date, a man was observed to depart from KRUSE's residence and enter the above mentioned Pontiac. He made a "U" turn and drove West on Oakton Boulevard to Ponderosa Estates, a new housing development being constructed on Oakton about three blocks West of Mannheim Road. The above person appeared to be of Italian extraction and to be [redacted] tall and [redacted] pounds.

b6
b7C

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date 7/21/65

1

On July 19, 1965, observation at the residence of LESLIE EARL KRUSE, 5206 Oakton, Skokie, Illinois, disclosed that his mother, ANNA KRUSE, was seated in the backyard with a uniformed nurse. Also, considerable work was being done on the new addition to the house and it appears that the roof and some of the sides were being appreciably altered.

In the driveway was parked a late model Pontiac bearing Illinois license DK 7733. This number is listed to ELSIE KRUSE, 5206 Oakton, Skokie, Illinois, who is KRUSE's wife.

It is noted that KRUSE usually obtains license numbers with a preponderance of sevens and threes and some of his numbers in the past have been LK 3777, 777-713 and so forth. This may be due to his lifelong interest and dependence upon gambling.

On 7/19/65 at Skokie, Illinois File # CG 92-1037 b6 b7C

by SA [redacted] /mao Date dictated 7/21/65

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

IV. ASSOCIATES

CG T-4 advised in May of 1965, that LESLIE KRUSE still associates with [redacted] on Chicago's near North Side. He stated that KRUSE first became associated with [redacted] when [redacted] had a stolen stamp and a collector's item and was being prosecuted by the United States Government for being in possession of this stamp. [redacted] requested KRUSE's aid in this case, which case was finally turned over to the Illinois State Court since the Government had no case. KRUSE was instrumental in helping [redacted] beat the case, and since that time, [redacted] has borrowed money from KRUSE and they are now close friends.

Informant said that regarding [redacted] a Skokie Attorney, he is a friend , advisor, and stock market expert, who is closely associated with KRUSE. He indicated that [redacted] acts as his own broker on real estate deals, and owns a building located on [redacted] between [redacted], which is handled by the Real Estate of Wirtz, Haynie, and Ehrat. b6 b7C

CG T-2 advised in mid-June, 1965, that [redacted] may become a boss partner of [redacted] whose [redacted] is next to the [redacted] Informant believes that [redacted] is deeply indebted to KRUSE, and that KRUSE may have part ownership in the shop. Informant said that [redacted] visits KRUSE's home about twice a week in the evening. He stated [redacted] lives in [redacted] has five children, and is a graduate of Notre Dame University. He described [redacted] as male: white: age [redacted] weight [redacted] pounds; height [redacted] He stated that [redacted] owns two cars purchased from Epsteen Pontiac Agency, and [redacted] father and mother both work in the [redacted]

It is noted that the above description is undoubtedly that of [redacted]

On June 17, 1965, informant advised that KRUSE has been playing golf on the Northwest Side of Chicago on a few occasions with one [redacted] who worked several years ago in one of KRUSE's gambling establishment.

He indicated that [redacted] owns and operates a beauty shop on the North Side of Chicago. He also advised that KRUSE had been playing golf with (First Name Unknown) [redacted] (phonetic), who constructed the apartment building on the property adjacent to KRUSE's home on Oakton Street in Skokie. Informant stated that [redacted] recently blacktopped the front drive to LESLIE KRUSE's home in Skokie without charge.

CG T-4 advised on July 22, 1965, that [redacted] who constructed the apartment building at [redacted] on the property purchased from LESLIE KRUSE, attended the wedding and reception of [redacted] Informant stated that [redacted] owns a brick company as well as a construction company maintained at [redacted]

According to the informant [redacted] a Skokie Attorney and close associate of KRUSE also uses the same office for his law practice sharing the office with [redacted] also moved into an apartment at this address. b6 b7C

Informant stated that [redacted] has been an associate of members of organized crime for several years and in fact, constructed the new home of FELIX "MILWAUKEE PHIL" ALDERISIO, at Riverside, Illinois. According to the informant, ALDERISIO paid cash to [redacted] for the construction of his new home. [redacted] also reportedly constructed the home of [redacted] notorious jewel thief in [redacted] is described as following:

Race	White
Sex	Male
Age	
Height	
Marital Status	
Build	
Hair	
Children	
Nationality	
Characteristics	
Residence	

[redacted] also reportedly owns a race horse, which occasionally runs at Arlington Park, and whose name is [redacted] trained by (First Name Unknown) [redacted] is in the meat business selling steaks to the $1.19 steak type steak houses, such as Tads and Mikes in Chicago. b6 b7C

V. FLORIDA ACTIVITIES

CG T-5 advised in early June , 1965 that he has heard that KRUSE has 25 slot machines stored in Santo Domingo in the Dominican Republic, which he is trying to sell. Informant stated he will try to determine more about these machines.

On May 24, 1965, [redacted], Fearnley Real Estate, 1203 North Dixie Highway, Lake Worth, Florida, advised SA RICHARD B. KELLOGG that the Fearnley Company did have an exclusive on subject's property in Lake Worth, Florida, but it recently ran out and has not been renewed. He said that the exclusive was arranged for by an attorney by the name of [redacted] from Chicago who was in Florida at the time supposedly vacationing. [redacted] said that he is handling the account, but has not seen subject or had any contact with him since prior to the time subject's house in Lake Worth was sold to [redacted] and he doubted that the subject has been in Lake Worth because the subject would have stopped by to see him regarding the possible sale of his house.

[redacted] said however that he has met subject in the past and had also met his former caretaker, JAMES FIORE. He met them through spending considerable time on the Notre Dame Avenue, Lake Worth, Florida area, attempting to sell real estate in that area. [redacted] said that he was not acquainted with SAM GIANCANA by name or photograph. [redacted] said that he knew nothing of the personal life of KRUSE or his associates and although he had heard that they were involved in gambling, he had no personal knowledge concerning this. [redacted] said that he believed they had contacts at the Fontainebleau Hotel, Miami Beach, Florida, because FIORE has mentioned to him on occasion that they were going there for a visit or he was going there to pick up KRUSE, but that he knew nothing more about these contacts.

[redacted] said that he heard that subject was connected with gambling in the Bahamas, but did not know if there was any truth to that or not and added he had no reason to connect the subject with gambling at the Fontainebleau Hotel with gambling. [redacted] said that he could not be certain where he heard the rumors connecting subject with gambling in the Islands.

VI. CRIMINAL ACTIVITIES

CG T-1 advised in late July, 1965 that LESLIE KRUSE remains in the Chicago area and is still expecting to be served a subpoena from the Federal Grand Jury in Chicago.

VII. TRAVEL

CG T-5 advised on May 1, 1965 that he has not heard from KRUSE or any of his Chicago associates and knows of no travel by KRUSE or his associates to Santo Domingo during recent months. The Little Rock, Arkansas Office advised that contact with informants and sources in Hot Springs, Arkansas, during May, 1965, failed to develop any information that KRUSE had arrived in Hot Springs, or plans to do so in the near future. Specifically, it was determined that no reservations had been made at the Arlington or Majestic Hotels by KRUSE. b6 b7C

CG T-2 advised in early July, 1965 that on July 9, 1965, LESLIE KRUSE, his wife, ELSIE, [redacted] his then fiancee, [redacted] attended the wedding of a friend of [redacted] which occurred a few weeks ago at Richfield, Minnesota, which is located close to Minneapolis. The party stayed at a motel at Richfield, and [redacted] was the best man at the ceremony. According to the informant, [redacted] attended school with the son of [redacted]

VIII. HANGOUTS

CG T-1 advised late in April, 1965, that KRUSE met each Sunday morning at 10:00 with NICK BRAVOS, GEORGE BRAVOS, and [redacted] at Alicie's Snack Shop, located on Rand Road near the Dolphin Motel, Glenview, Illinois, concerning their bookmaking activities.

Informant believed it is possible that a crap game may take place on occasions in the basement at this location.

Informant added that [redacted] has been meeting KRUSE on a regular basis at about 2:30 p.m. every day at the H & H Restaurant. b6 b7C

Informant also advised that KRUSE and RALPH PIERCE meet on a regular basis every morning in a restaurant located in the basement at 55 East Washington.

May 6, 1965, KRUSE was observed by SAs [redacted] JOSEPH G. SHEA, and JOHN H. WILMES, at the Yacht Club Restaurant near Van Buren on Wabash Street.

CG T-6 advised that he observed LESLIE KRUSE and RALPH PIERCE together on May 27, 1965 at the H & H Restaurant, 207 North La Salle Street, Chicago. Informant stated that [redacted] has left the restaurant, where he suffered an attack of sugar diabetes.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

August 17, 1965

In Reply, Please Refer to File No.

Title **LESLIE EARL KRUSE**

Character **ANTI-RACKETEERING**

Reference Report of Special Agent [redacted] dated and captioned as above.

b6
b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois
August 17, 1965

In Reply, Please Refer to
File No.

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and many of his activities.

Chicago T-2 is an individual, who is acquainted with Kruse, his associates, and many of his activities.

Chicago T-3 is a local agency which conducts criminal type investigations in the Chicago area.

Chicago T-4 is an individual acquainted with Kruse and his activities.

Chicago T-5 is an individual, who has some knowledge of Kruse's activities in the State of Florida.

Chicago T-6 is an individual acquainted with Kruse and has knowledge of some of his associates and activities.

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FD-263 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	11/29/65	8/20 - 11/15/65

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY SA [redacted] TYPED BY laj b6 b7C

CHARACTER OF CASE

AR

REFERENCE: Report of SA [redacted] dated 8/19/65, at Chicago.

- P -

ENCLOSURES

TO BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memo setting forth a characterization of informants.

LEADS

MIAMI

AT LAKE WORTH, FLORIDA. Will follow and report any new developments concerning activities by KRUSE in that area, specifically regarding the sale of his remaining real estate.

Pending Over 1 Year. Yes
Pending Prosecution Over 6 Months. No

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-266 REC-16

DEC 6 1965

COPIES MADE:

(3) - Bureau (92-5505) (Rest-2)
1 - USA, Chicago
3 - Miami (92-749)
2 - Chicago (92-1037)

Dissemination Record of Attached Report				
Agency				
Request Recd.	1-Supt. [illegible]			
Date Fwd.				
How Fwd.	1-DAR			
By				

Notations

SENT STATE DEPT.

AT MIAMI, FLORIDA. Will continue to follow KRUSE's interest in the gambling situation in the Grand Bahamas and other islands and also his attempts to sell the slot machines being held in the Dominican Republic.

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct investigation into the associates, activities and investments of KRUSE.

ADMINISTRATIVE

[redacted] advised SA JOSEPH G. SHEA that as of October 9, 1965, LESLIE KRUSE and his wife, ELSIE, would be in Hot Springs, Arkansas, for a period of seven days. He believes that they travelled to and from Hot Springs by train. b6 b7C b7D

Informant stated he had a conversation on October 8, 1965, with [redacted] at which time [redacted] mentioned that LESLIE KRUSE had lost face in connection with big deal involving in the Dominican Republic. He stated that approximately 30 days before the revolution in Santo Domingo Dominican Republic, KRUSE acting for "outfit" interest had shipped 750 slot machines plus other gambling paraphernalia to Santo Domingo. He indicated that the new slot machines are stored in a warehouse and that they cannot get the machines out of the Republic which are still in crates and cannot be used.

On October 24, 1965, former PCI [redacted] advised SA PAUL B. FRANKFORT that several weeks ago, he had [redacted] that he did not believe that there was any place in the city any more where one could walk in and observe betting slips and where orders were posted. b7D

[redacted] stated that he thought it was rather strange that this government did not go ahead and call in more hoodlums before the Grand Jury since SAM GIANCANA was jailed. He seemed miffed that after GIANCANA was failed that no others were called and that things quieted down and that

the government was only interested in getting SAM GIANCANA. [redacted] also stated that LESLIE KRUSE had been out of town for a short period of time on vacation and had recently returned. He said that KRUSE's mother continues to be in bad health and that a nurse is on duty most of the time with her. He said [redacted] was married that summer and that he and his wife are both away at college at Nebraska.

PCI [redacted] advised SA [redacted] as follows on November 16, 1965:

When he [redacted] the informant stated [redacted]. At first the game was conducted in a suite in the Morrison Hotel for a couple of nights and then was moved to a location on Cermak Road, about 323 Cermak as he recalls. They were not there more than a few nights until they were raided shortly after operations had begun, and informant stated he felt the FBI had been in on this raid. [redacted] he did not indicate what name he used at the time of this arrest.

Since this is the first information associating this informant with KRUSE's gambling activities and since it is known that KRUSE actually had an interest in the large floating crap game in Chicago, this informant will be recontacted and attemps made to obtain more details of KRUSE's interest in local gambling.

INFORMANTS

Multiple symbols were furnished to informants in this report in two instances in an effort to protect their identities.

CG 92-1037

Informant	Identity	Contacting Agent
CG T-1	[redacted]	SA JOSEPH G. SHEA
CG T-2		SA JOSEPH G. SHEA
CG T-3		SA VINCENT L. INSERRA
CG T-4		SA [redacted]
CG T-5		SA
CG T-6		SA
CG T-7		Unknown

b6
b7C
b7D

- D* -

COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: 11/29/65

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

b6
b7C

Synopsis: KRUSE still resides at his Skokie, Illinois, residence. KRUSE presently consolidating estate with Chicago attorney, [redacted] Information regarding family members set forth. KRUSE still reportedly has 25 slot machines for sale in Hispanol Hotel, Santo Domingo, Dominican Republic. KRUSE seen in Florida July, 1965 and September 13, 1965, and information obtained concerning attempted sale of his Florida property. Information regarding KRUSE's associates and activities set forth. KRUSE still uses PETE EPSTEEN's Pontiac Agency for personal business and allegedly has interest in gambling casino to be established London, England. KRUSE and wife visited Hot Springs, Arkansas mid October. KRUSE's interest in apartment buildings located near the residence set forth.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037

DETAILS:

I. Family

Chicago T-1 advised in late August, 1965, LESLIE KRUSE still resides at his home in Skokie, Illinois, and drives to the Chicago Loop every day. [redacted] and [redacted] wife have returned to college in Chadron, Nebraska. According to Chicago T-1, KRUSE has been spending considerable time at the law office of [redacted] in the Loop. According to the informant, KRUSE is consolidating his estate and making use of [redacted] legal counsel. He said also that KRUSE has been having considerable trouble with a stiff neck.

Chicago T-1 advised in early September, 1965, that KRUSE was to leave Chicago Saturday, September 4, 1965, with [redacted] to register him at Culver Military School. KRUSE was to return on Labor Day, September 6, 1965.

Chicago T-1 also advised Lieutenant [redacted] of the Skokie Police Department is not related to KRUSE through marriage and is considered a friend by KRUSE. He stated that [redacted] usually visits the KRUSE home once a month usually on a Sunday afternoon to talk and visit with KRUSE. He stated the only brothers-in-law KRUSE has reside in the California area. b6 b7C

Chicago T-2 advised in mid Sptember, 1965, that he believes that [redacted] has a boy friend named [redacted] (phonetic), first name unknown. Informant also believes that [redacted] attends the University of Iowa where she is in her senior year.

Chicago T-3 advised on September 20, 1965, that [redacted] was employed by the Ace Coin Company on Dearborn Street in Chicago. He stated that [redacted] has been known to associate with [redacted] known Chicago thief and the son of gambler, [redacted] on [redacted] in Chicago. Informant believes that [redacted] and [redacted] have worked together in setting up thefts of rare coin collections. He explained that KRUSE in this position would be able to know which individual would have valuable coin collections and in turn can pass this information along to [redacted] who will then set up this victim for a theft.

Chicago T-2 advised in early October, 1965, that ELSIE KRUSE had been staying in California with her sister who recently underwent an operation.

Chicago T-2 also advised that KRUSE returned from Culver, Indiana, to attend the funeral of [redacted] on October 4, 1965.

II. The Wedding of [redacted]

It is noted that Ohio license [redacted] had been noted present at [redacted] wedding. The following investigation resulted:

The following investigation was conducted by IC [redacted] at Columbus, Ohio, on September 2, 1965:

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[redacted] License Index Section, Ohio Bureau of Motor Vehicles, advised that 1965 Ohio License [redacted] was issued on March 30, 1965, to [redacted] This license was issued for use on a 1965 Buick Coupe, VIN [redacted] This vehicle is titled under Ohio Title Number [redacted] and was purchased on January 26, 1964, and no lien was recorded on this vehicle at date of purchase.

[redacted] Driver's License Index Section, OBMV, advised that she was unable to locate any license issued in the name of [redacted]

Also observed at the wedding were automobiles listed [redacted] and [redacted]

Springfield Office advised that the files contain no references identifiable with the above individuals.

III. Florida Activities

Chicago T-4 advised that on June 8, 1965, that he has not heard anything concerning the fact that KRUSE had been in the Florida area. The informant stated that the 25 slot machines stored in Santo Domingo in which KRUSE has an interest have not as yet been sold according to his source of information.

Chicago T-4 advised on July 6, 1965, that about a week previously, he had heard that KRUSE may have been in the Miami area but did not know where he was staying.

On July 26, 1965, [redacted] advised RICHARD B. KELLOGG that the two pieces of real estate owned by KRUSE in that neighborhood are still not sold. He stated [redacted] who purchased KRUSE's home on Notre Dame, Lake Worth, has since resold the house to [redacted] who is from [redacted] Recently [redacted] has observed [redacted] working on or having worked on a swimming pool which is located on a lot adjacent to the house, which lot is still owned by the subject. He said in conversation with the man who takes care of the lawn on that lot that he had learned that [redacted] has agreed to do this in return for the use of the pool but that KRUSE still pays for having the lawn and landscaping on the lot maintained. [redacted] said the lawn man indicated he had been in contact with KRUSE not long ago concerning a complaint by the City of Lake Worth as to the condition of the other unimproved lot that KRUSE owned on Notre Dame and that KRUSE indicated at the time that he would be at Lake Worth in a few weeks. [redacted] said that he will be alert to KRUSE's presidence in that area and advise the Miami Office if he is observed.

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b7C
b7D

Chicago T-4 advised on August 20, 1965, that he had not heard from KRUSE or any other Chicago group in recent weeks. He has talked to a close friend of KRUSE who has not mentioned to him that KRUSE has been in town or was coming to Miami.

Chicago T-5 advised on September 17, 1965, he has recently learned that KRUSE has approximately 25 slot machines stored in the Hispanol Hotel in Santo Domingo. This informant said that his source advised that KRUSE has got an interest in these machines with at least one individual and has made little effort to sell them.

On October 4, 1965, [redacted] advised SA KELLOGG that on or about September 13, 1965, KRUSE was in Lake Worth and spoke with [redacted] about [redacted]

[redacted]

[redacted] stated KRUSE is trying to get about $20,000.00 for the property adjacent to his former residence and, which property is improved with a swimming pool and about $8500.00 for the property across the street which is unimproved. [redacted] indicated any offers will probably be for a little less than that amount and is of the opinion KRUSE will accept a little less in view of the cost on the property. b6 b7C b7D

[redacted] and said he had just flown into Miami from Chicago that day and was somewhat rushed to keep his return reservation that evening. KRUSE was driven to Lake Worth from Miami by two white males in what [redacted] described as a new, red, small-type car. He did not observe the license plates on this car. [redacted] said he was introduced to the two men by KRUSE in a casual manner by their first names only. He recalled one of them was introduced as TONY, but he could not recall the other man and said both were 45 to 50 years of age, on the small side, dark complexion, and appeared to be Jewish or Italian.

IV. Hoodlum Activities

On September 7, 1965, KRUSE was observed by SA WILLIAM F. ROEMER, JR. having lunch at the Italian Restaurant at State and Lake Streets, Chicago, with MURRAY HUMPHREYS, GUS ALEX, and RALPH PIERCE, all Chicago top hoodlums.

On October 22, 1965, Chicago T-6 advised that [redacted] has opened a new business at [redacted] called [redacted] and sells junk jewelry and other cheap items there. There is also a restaurant attached and an archade in the rear. [redacted] reportedly has his office on the second floor where the informant believes he may conduct his juice business. There is also a huge revolving sign advertising the Exchange National Bank, located under the [redacted]" b6 b7C

Chicago T-1 advised in late October, 1965, that on November 7, 1965, [redacted] made arrangements for a church service in honor of her late husband. Afterward a brunch was to be held at the Millionairres Club, 5352 North Broadway, Chicago, and LESLIE KRUSE is to be invited. b6 b7C

V. Illegal Activities

Chicago T-2 advised in mid-September, 1965 that KRUSE still uses a small office adjacent to the office of PETER EPSTEEN of Epsteen Pontiac, to make telephone calls. He said that on September 10, 1965, KRUSE met with hoodlum GUS ALEX at the Apex Vending Machine Company run by ALEX.

Informant stated that KRUSE and ALEX are reportedly interested in a gambling venture presently located in London, England. This casino is patterned on a Gay 90's era style and has three floors. Presently roulette and cards compose the gambling at this casino but KRUSE and ALEX are interested in introducing the American type of dice playing at this casino. Informant said that they might send [redacted] to this casino to operate it. The greatest difficulty encountered was in obtaining a liquor license for the casino.

VI. Travel

Chicago T-7 advised on September 22, 1965, a reservation was made at the Arlington Hotel in Hot Springs, Arkansas by LESLIE KRUSE of Chicago. The reservation was for October 7, 1965, and the length of time was not indicated.

Chicago T-1 advised on October 15, 1965, that KRUSE was still in Hot Springs, Arkansas, with his wife, ELSIE, and intended to remain there for another ten days. Informant stated they expect to return to Chicago about the 23rd or 22nd of October.

VII. Legitimate Enterprises

Chicago T-2 advised in late September, 1965, that KRUSE was recently having difficulty with one [redacted] who allegedly [redacted]

[redacted] The trouble involved the collections of rent for the apartment. [redacted] apparently has been coming up short on the full collections of rent and had incurred the anger of KRUSE. According to the informant, this is proof that KRUSE has a financial interest in the apartments which were built on land sold to the developer by KRUSE. RICHARD BERNAS who resides on the property of LESLIE KRUSE is being used by KRUSE to keep [redacted] in line.

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b7C

Chicago T-1 advised in early November, 1965, that PETER EPSTEEN, owner of the Epsteen Pontiac Agency in Skokie and in which KRUSE has some interest, left November 3, 1965, with his wife for a two-month vacation in the far east. Informant believes that EPSTEEN will spend some time in Japan. Informant also stated that KRUSE continues to have dealings several times a month with [redacted] Skokie Attorney.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
November 29, 1965

In Reply, Please Refer to File No.

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] b6 b7C
[redacted] dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
November 29, 1965

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference report of Special Agent [redacted] dated and captioned as above.

b6
b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and his activities.

Chicago T-2 is an individual who is acquainted with Kruse, his associates and activities.

Chicago T-3 is an individual acquainted with hoodlum activities in the Chicago area.

Chicago T-4 is an individual who comes into possession of some information regarding Kruse's activities in the State of Florida.

Chicago T-5 is an individual who by virtue of his acquaintance obtains some information regarding Kruse and his activities.

Chicago T-6 is an individual who obtains information regarding hoodlum activities in the Chicago area.

Chicago T-7 is an individual who occasionally comes into possession of information regarding Kruse when he is in the Hot Springs, Arkansas, area.

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LESLIE EARL KRUSE

FD-36 (Rev. 5-22-64)

F B I

Date: 3/7/66

Transmit the following in PLAINTEXT
(Type in plaintext or code)

Via TELETYPE DEFERRED
(Priority)

TO : DIRECTOR (MAIL) AND SAC MIAMI (92-749)

FROM: SAC CHICAGO (92-1037)

LESLIE EARL KRUSE, AKA. AR. OO CHICAGO.

INFORMANT ADVISED KRUSE LEFT CHICAGO EVENING OF MARCH FOUR LAST FOR MIAMI AREA, POSSIBLY TO MEET HIS WIFE ELSIE, WHO REPORTEDLY HAS BEEN VACATIONING THERE. INFORMANT STATES KRUSE LEFT HIS AUTO PARKED IN DRIVEWAY TO "THROW OFF" ANY POLICE WHO ARE INTERESTED IN HIS WHEREABOUTS. NORMALLY WHEN HE TAKES LENGTHY TRIP HE HAS HIS AUTO TAKEN TO PETER EPSTEEN PONTIAC AGENCY IN SKOKIE, ILL WHERE IT'S TAKEN CARE OF UNTIL HIS RETURN. KRUSE EXPECTS TO BE GONE ONE WEEK. MIAMI REQUESTED TO CHECK LOGICAL SOURCES THERE AND IN LAKE WORTH TO DETERMIN KRUSE'S ACTIVITIES.

1 - Bureau (AIR MAIL)
1 - 92-1037
EWA/plb
(2)

Approved: _____ Sent 9:55 a M Per _____
Special Agent in Charge

FD-263 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	3/10/66	12/1/65 - 2/28/66

TITLE OF CASE

LESLIE EARL KRUSE, aka.

REPORT MADE BY: SA [redacted] TYPED BY: flk

CHARACTER OF CASE

AR

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REFERENCE: Report of SA [redacted] dated 11/29/65, at Chicago.

- P -

ENCLOSURES

TO BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memorandum setting forth a characterization of informants.

LEADS

MIAMI

AT LAKE WORTH, FLORIDA. Will follow and report any new developments concerning the activities by KRUSE in that
Pending Over One Year - Yes
Pending Prosecution Over Six Months - No

APPROVED [redacted] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92- [redacted] 368

REC- 87

COPIES MADE:

(3) - Bureau (92-5505) (~~Encl. - 2~~)
1 - USA, Chicago
3 - Miami (92-749)
2 - Chicago (92-1037)

NITE STA. SECT.,

Dissemination Record of Attached Report				
Agency				
Request Recd.	1-Dept.	3-23-66		
Date Fwd.				
How Fwd.	1-LHM			
By	298			

Notations

area, particularly regarding the sale of his real estate there.

AT MIAMI, FLORIDA. Will continue to follow KRUSE's interest in the gambling situation in the Grand Bahamas and also his attempts to sell the slot machines being held in the Dominican Republic.

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct investigation of the associates, activities, and investments of KRUSE.

ADMINISTRATIVE

[redacted] advised SA JOSEPH G. SHEA on 12/17/65, that [redacted] Informant said KRUSE is extremely fond of [redacted] and there appears to be some jealousy arising between [redacted]

INFORMANTS

Multiple symbols were furnished to one informant in an effort to further protect his identity.

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Informant	Identity	Contacting Agent
CG T-1	[redacted]	SAs JOSEPH G. SHEA and [redacted]
CG T-2		"
CG T-3	PCI [redacted]	SA O. ARTHUR GRAN
CG T-4	PCI [redacted]	SA [redacted]

FD [redacted] (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: 3/10/66

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues to reside at his Skokie, Illinois, residence and follows usual pattern of activity. KRUSE hospitalized with hernia. KRUSE's mother, ANNA KRUSE, reportedly critically ill. Identity of individual attending [redacted] wedding determined. Information regarding KRUSE's associates set forth. KRUSE still maintains interest in Nu-Way Contracting Corporation. Information regarding KRUSE's Florida residence and data concerning slot machines held in Dominican Republic by KRUSE set forth.

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037

DETAILS:

I. PERSONAL HISTORY AND BACKGROUND

CG T-1 advised in mid-January, 1966, that LESLIE KRUSE was at that time at the Passavant Hospital for examination concerning a double hernia. Tests were being made to determine if an operation was necessary. He was expected to stay there for several days. Informant stated that KRUSE was visited by his close associate RALPH PIERCE while he was in the hospital.

CG T-1 advised in mid-December, 1965, that KRUSE's mother, ANNA KRUSE, who is in her 80's was a patient at the St. Francis Hospital in Evanston suffering from a malignant tumor. Informant said that a Doctor [redacted] aided by Doctor [redacted] operated on Mrs. KRUSE, however, they did not remove the tumor. b6 b7C

The following investigation was conducted by the New York Division based upon a license number obtained during the wedding last year of [redacted]:

[redacted]

Pontiac Motor Division, General Motors Corporation, Columbus Circle, New York City, advised SA DONALD A. RIVERS that license number CEA-1 is listed to the General Motors Corporation. This car is loaned to [redacted] who is affiliated with the 21 Club, 53rd Street, New York City.

On October 1, 1965, [redacted] also known as [redacted] was interviewed by SA JAMES T. MC SHANE. [redacted] readily admitted that he drove his car to the wedding of [redacted] in July, 1965. He advised that he was on vacation and that he and his wife were visiting the Chicago area. While in Chicago, he decided to have his Pontiac lubricated and brought the Pontiac to PETER EPSTEEN of the Pontiac Company in Skokie, Illinois. He

advised that EPSTEEN is a very close friend of his who has visited him occasionally at the 21 Club in New York City. While visiting with EPSTEEN, EPSTEEN invited [redacted] and his wife to this particular wedding. He stated that he knew of the reputation of KRUSE, but did not feel he was doing anything wrong by attending the wedding. He advised that he did not know of any association or business connection between EPSTEEN and KRUSE and to the best of his knowledge, KRUSE visited the 21 Club on only one occasion that he could recall. b6 b7C

[redacted] is [redacted] at the 21 Club and is well known in the celebrity world. He has advised that the General Motors Corporation makes it a policy to rent cars to the personnel in the 21 Club as they consider this a good method of advertisement. [redacted] stated he would be alert to any information concerning the connections between EPSTEEN and KRUSE and would report this information immediately to the New York Office if it came to his attention.

CG T-2 advised in mid-December, 1965, that KRUSE's family, including the children, would be home for Christmas and that KRUSE's mother was expected to be home from St. Francis Hospital in Evanston as well. Informant advised also that KRUSE has a new four-door Pontiac Gran Prix, black in color, still bearing 1965 license plates.

CG T-1 advised on January 28, 1966, that KRUSE had been a patient in room 614 of the Passavant Hospital and was presently at home recooperating. KRUSE was awaiting the results of a series of examinations which he had undergone at the hospital.

Informant related that he had heard KRUSE was planning a trip to Florida shortly, however, since his mother is ill he could not leave for an extended period of time until her condition is resolved.

On February 4, 1966, CG T-1 stated that KRUSE's mother has taken a turn for the worse and is not expected to live. As of that time KRUSE's trip to Florida was still in doubt because of this.

II. SKOKIE RESIDENCE

Observations conducted at this residence indicate KRUSE continues to reside at 5206 West Oakton, Skokie, Illinois, and has had considerable remodeling done on his house. His automobile can normally be observed parked in the driveway on the east side of the house under a canopy and bears current 1966 Illinois license LK3737. KRUSE continues to follow his normal pattern in the morning of driving from his residence to PETER EPSTEEN's Pontiac Agency and from there into the Chicago Loop where he parks his car in a public parking facility located on the north side of Randolph Street located east of the Grayhound bus station. His automobile is always parked on the first floor or ground level of this garage.

III. ASSOCIATES

CG T-2 advised in early December, 1965, that he had been in contact with KRUSE shortly after the death of Chicago hoodlum MURRAY HUMPHREYS. He said that to his surprise KRUSE did not appear to be shaken by HUMPHREYS' death although he is aware of their degree of association and closeness prior to this time. KRUSE appears to be fearful and made no comment regarding HUMPHREYS' death.

CG T-2 advised on December 16, 1965, that he believes [redacted] also known as [redacted] is a juice operator in his restaurant, [redacted] for LESLIE KRUSE. The informant's reason for this belief is that [redacted] is extremely fearful of KRUSE and because KRUSE is frequently in the H & H Restaurant talking with [redacted]

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This informant stated that several years ago the "outfit" put pressure on [redacted] to get out of the juice loan racket warning him to refer juice customers to "outfit" sources. During this period [redacted] hid out in fear of his life and sought out KRUSE's aid to straighten the matter out. [redacted] continues to operate his juice racket at his restaurant as well as sports booking.

IV. ILLEGAL ACTIVITIES

CG T-3 advised on December 15, 1965, that in his opinion LESLIE KRUSE, what with SAM GIANCANA, who is out of circulation, will be a "big man" in all syndicate operations.

V. LEGITIMATE ENTERPRISE

CG T-2 advised in early February, 1966, that KRUSE continues to have an interest in the Nu Way Contracting Corporation at 655 North Kedzie Avenue and continues his association with HENRY ORTH who is listed as president of the company and a known partner of KRUSE. b6 b7C

VI. HANG OUTS

CG T-1 advised in early December, 1965, that on December 9, 1965, he observed KRUSE at Binyon's Restaurant at approximately 6:00 PM. It is noted that for years KRUSE has reportedly made a habit of having a meal approximately once a week at Binyon's Cafe in the company of his close associate RALPH PIERCE.

Informant also advised that KRUSE continues to regularly visit PETER EPSTEEN Pontiac in Skokie and spends time with Skokie attorney [redacted] He said that [redacted] now operates a law practice out of his home. Concerning [redacted] informant stated that if KRUSE has an alleged ownership of a shopping center in the Lincolnwood area it would be [redacted] who would front in the ownership of this property for KRUSE.

Informant further advised that [redacted] now [redacted] automobile sales lot on [redacted] and is extremely bitter in his feelings concerning EPSTEEN and KRUSE since they would offer him no assistance in connection with the scamming case in which [redacted] is involved in the Federal court in Chicago. b6 b7C

VII. FLORIDA RESIDENCE

The following investigation was conducted by SA RICHARD B. KELLOGG at Lake Worth, Florida, on December 15, 1965:

[redacted] who had previously advised [redacted] advised both parcels of that real estate have apparently now been sold.

The parcel located next to house subject recently sold located at 1902 Notre Dame Boulevard, Lake Worth, was improved with a swimming pool and landscaping. Property sold or contracted for by [redacted] who owns home at [redacted] said [redacted] is a Canadian who spends winters in Florida and has been living at the above [redacted] address. He plans to build a home on KRUSE's property in Lake Worth to be used as a winter residence. [redacted] said after KRUSE decided to accept that offer [redacted] was in telephonic contact with KRUSE and worked out an agreement for the payment to be spread out over a period of time. [redacted] said he understood [redacted] did not want to bring too much money in from Canada because of a loss he would b6 b7C b7D

sustain in the dollar value of the money. He wants to use the proceeds of the sale of the home he owns now and other money which might become available in the United States to buy the property and build his house, rather than pay the whole amount now. [redacted] said he knows papers concerning this transaction were mailed back and forth between Florida and Chicago, Illinois, and he believed KRUSE's attorney in Chicago handled the transaction. [redacted] said there is every indication [redacted] and KRUSE are not acquainted.

Concerning the undeveloped lots across the street from KRUSE's former residence at 1902 Notre Dame Boulevard, [redacted] said they were purchased by [redacted] a [redacted] for $7,800, or at least that was agreed on between KRUSE and [redacted] said [redacted] He said [redacted] later indicated he had contacted KRUSE in Chicago, they dickered between $7,500 and $8,500 and closed the deal at $7,800. [redacted] said from what he gathered the transaction was handled by KRUSE's attorney in Chicago. Again he said he did not believe KRUSE and [redacted] were acquainted.

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[redacted] said about December 5, 1965, he was [redacted] He said he had come down with friends and indicated he would drop by but had not as yet done so. [redacted] recalled FIORE had previously mentioned that [redacted] in Chicago was not too well and might come to Florida for the winter. He said that he recently heard that FIORE had contacted a salesman at a Lake Worth real estate office to locate a nice home with a swimming pool for rent for the winter. [redacted] said the salesman did find such a place but has not heard from FIORE since so now believes FIORE must have found another place somewhere else. [redacted] said from his knowledge of FIORE, if FIORE was going to spend the winter in Florida he would much prefer the Miami - Ft. Lauderdale area to the Palm Beach - Lake Worth area.

[redacted] and KRUSE indicated he did not know FIORE was in or had come to Florida. KRUSE asked that [redacted] said he had, therefore, asked the above real estate salesman to let him know if he hears from FIORE but as yet he has heard nothing more from or about FIORE. He said if he does receive such information he will advise.

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The following investigation was conducted by SA RICHARD B. KELLOGG at West Palm Beach, Florida:

The records of the clerk of the Circuit Court, West Palm Beach, reviewed on January 7, 1966, disclosed information that lots 1032-33-34 and 35, block 19, College Park Edition Number 2, Lake Worth, Florida, were recorded in the name of LESLIE KRUSE in 1951: book 1306 at page 265 revealed that the above property was transferred by warranty deed dated December 15, 1965, and filed December 22, 1965, from KRUSE and his wife to HENRY E. BOGATIN. The deed itself indicates the witness signatures to be RICHARD BERNAS and ELLA BERNAS and the notary to be WILLIAM M. HENNESSY, Cook County, Illinois. The State of Florida documentary stamps on this document amounted to $23.40 and are affixed at the return of .30¢s per $100.

The above record concerning lots 1040-41-42-43 and 44 in block 20, College Park Edition Number 2, Lake Worth, Florida, revealed on January 7, 1966, and February 8, 1966, that this property is still recorded in the name of LESLIE KRUSE and there have been no recent entries concerning it.

On February 11, 1966, CG T-4 advised that he has heard no word from KRUSE and is not aware if he was in the Miami Beach area in recent months. He said the slot machines in which KRUSE has an interest are still stored in the Hispanol Hotel, Santo Domingo, Dominican Republic. Informant stated that he had heard that this hotel was now being used for quarters for United States troops in Santo Domingo.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
March 10, 1966

In Reply, Please Refer to File No.

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] dated and captioned as above. b6 b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois

March 10, 1966

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference report of Special Agent [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and his activities.

Chicago T-2 is an individual who is acquainted with Kruse and has knowledge of his associates and activities.

Chicago T-3 is an individual who has knowledge of some of Kruse's associates and activities.

Chicago T-4 is an individual who occasionally comes into possession of information regarding Kruse's activities in the State of Florida.

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 18 1966
TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI CHICAGO

233 PM CST DEFERRED 4/18/66 MOA

TO DIRECTOR (92-5505) AND LITTLE ROCK

FROM CHICAGO (92-1037) 1P

LESLIE EARL KRUSE, AKA. AR. OO CHICAGO.

CHICAGO INFORMANT ADVISED KRUSE LEFT CHICAGO LAST WEEKEND FOR ONE WEEK'S STAY AT UNKNOWN LOCATION BELIEVED TO BE IN SOUTH [redacted] KRUSE THEN FLEW BY UNKNOWN AIRLINE. ANOTHER CHICAGO INFORMANT ADVISED TODAY THAT KRUSE AND RALPH PIERCE, CHICAGO HOODLUMS KNOWN TO LITTLE ROCK ALONG WITH ASSOCIATE [redacted] AND PAROLED GAMBLER [redacted] ARE PART OF CHICAGO GROUP OF TWENTY PLANNING BUSINESS AND PLEASURE VISIT TO HOT SPRINGS. SOME REPORTEDLY LEFT OVER LAST WEEKEND AND OTHERS PLANNING TO LEAVE TODAY. [redacted] WENT TO [redacted] PAROLE OFFICER TO OBTAIN PERMISSION FOR [redacted] TO LEAVE STATE OF ILLINOIS AND OBTAINED SAME ON BASIS OF A HOST AND GUEST RELATIONSHIP. IT IS ALSO POSSIBLE SOME OF ABOVE PARTY WILL HAVE WIVES WITH THEM.

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WA...RCH

FBI WASH DC

LR...MFM

FBI LITTLE R

TU CLR

REC- 13 92-5505-269

14 APR 25 1966

66 MAY 6 1966

FD-263 (Rev. 9-17-65)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	7/14/66	3/10 - 7/11/66

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY [redacted] TYPED BY jn b6 b7C

CHARACTER OF CASE

AR

REFERENCE: Report of SA [redacted] dated 3/10/66, at Chicago.

- P -

ENCLOSURES

TO BUREAU

Enclosed for the Bureau are two (2) copies of a letterhead memorandum setting forth a characterization of informants.

LEADS

MIAMI

AT MIAMI, FLORIDA. Will follow and report any new developments concerning activities of KRUSE in that area,

Case has been: Pending over one year [X] Yes [ ] No; Pending prosecution over six months [ ] Yes [X] No

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

(3) - Bureau (92-5505) (~~Encs. 2~~)
1 - USA, Chicago
2 - Miami (92-749)
2 - Omaha
2 - Chicago (92-1037)

92-5505-270 REC 37

8 JUL 18 1966

EX-108

NINE STATE ECT.,

Dissemination Record of Attached Report

Agency	
Request Recd.	
Date Fwd.	
How Fwd.	
By	

Notations

1 CC. AAG, Criminal Division, Organized Crime and Racketeering Section, Room 2524.

92-5505-106 1d12

specifically KRUSE's interest in the gambling situation in the Grand Bahamas and also his attempts to sell slot machines being held in the Dominican Republic.

OMAHA

AT CHADRON, NEBRASKA. Will determine the present status of [redacted] and attain pertinent background information concerning these individuals. b6 b7C

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct investigation into the associates, activities, and investments of KRUSE.

INFORMANTS

Multiple T symbols were furnished to one informant in order to further protect his identity.

Informant	Identity	Contacting Agents
CG T-1	[redacted]	SA [redacted] b6 b7C b7D
CG T-2		SA [redacted]
CG T-3		SA WILLIAM F. ROEMER
CG T-4		SA [redacted]
CG T-5		SA [redacted]
CG T-6	Former [redacted]	SA [redacted]

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: [redacted]
Date: 7/14/66

Office: Chicago

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Field Office File #: 92-1037

Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: Information regarding KRUSE and members of his family set forth. KRUSE's mother, ANNA KRUSE, died 6/28/66. KRUSE sold remaining Lake Worth, Florida, property. KRUSE still makes daily visits to Peter Epstein Pontiac Agency. Identity of associates obtained and frequent lunch meetings with associates RALPH PIERCE and GUS ALEX observed. Travel of KRUSE and family members set forth and facts of KRUSE's visit to Hot Springs, Arkansas, determined. KRUSE's slot machines still remain unsold in Dominican Republic. No record of Owl Club located at Illinois Partnership Records.

- P -

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CG 92-1037

DETAILS:

I. FAMILY

CG T-1 advised that early in 1966, his information concerning ELSIE KRUSE's departure to Los Angeles, California, had been in error and she had instead traveled to the Miami, Florida, area where she visited with a sister. b6 b7C

CG T-1 advised in early April, 1966, that he had learned that KRUSE was considerably concerned with the health of his mother who had suffered a stroke. KRUSE had expressed the opinion that it was simply a matter of time until she died.

It was further stated that ELSIE KRUSE and [redacted] who is home for the holiday season from the University of Iowa, left town on April 5, 1966, on vacation. It is not known where they went nor for how long.

CG T-1 advised on May 13, 1966, that ELSIE KRUSE had gone to Chadron, Nebraska, where her daughter-in-law, [redacted] is receiving her degree at the university there.

CG T-1 advised on May 25, 1966, that ELSIE KRUSE had returned from Chadron, Nebraska, after [redacted] graduation. This informant also stated that [redacted] is having troubles at Culver Military Academy, Culver, Indiana, and recently wanted to run away from the academy.

CG T-1 advised that KRUSE's mother, ANNA KRUSE, died on June 28, 1966.

The "Chicago Sun-Times" carried the following obituary notice concerning this death:

"Anna L. Kruse (nee Wagner), of Skokie, beloved wife of the late Richard J., dear

mother of Viola E. and Leslie E. (Elsie R.) Kruse, grandmother of Richard L. (Carol Ann), Diane E. and Robert L. Funeral Thursday, 1:30 p.m., at Haben Funeral Home, 8057 Niles Center Rd., Skokie. Interment St. Peter Evangelical Cemetery. Eastern Star services, Wednesday, 8 p.m., under the auspices of Glenview Chapter No. 862, O.E.S. Member of Arimaethea W.S.J., No. 36. Visitation after 7 p.m., Tuesday. OR 3-6111"

II. FLORIDA RESIDENCE

On March 8, 1966, the following information was learned by SA RICHARD B. KELLOGG at Lake Worth, Florida:

[redacted] advised he was quite sure it was [redacted] he gathered that [redacted] had been in Miami, and subject had recently flown down to see her. He did not know how long [redacted] had been in Florida or where in Miami she was staying. They had journied to Lake Worth to finish up the transaction regarding the sale of subject's property, located adjacent to his former residence at 1902 Notre Dame Boulevard there, which has been sold to a [redacted] from [redacted] said he got the idea the attorney, too, was already in Florida and subject had just met him there. [redacted] said he is certain [redacted] has purchased that property because he has already made the plans for the house he is going to build there and he believed it was the purpose of this trip to finalize the sale, and draw up the necessary papers. He said both subject and the attorney indicated they were in quite some hurry because it was necessary for them to get back to Chicago and subject mentioned that he would like to stay in Florida for a while and "soak up some sunshine" but he had to get back.

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[redacted] b6 b7C b7D

JAMES FIORE, who was formerly the "caretaker" at their residence in Lake Worth and both indicated they had not seen FIORE for quite some time. Neither said anything, however, to indicate FIORE is not still in Chicago.

A check of the records of the Clerk of the Circuit Court, Palm Beach County, West Palm Beach, Florida, on March 18, 1966, by SA RICHARD B. KELLOGG, disclosed the following as concerns real estate described as the north 22 feet of Lot 1040, all of Lots 1041, 1042, 1042, and 1044, Block 22, College Park Edition Number 20, Lake Worth, Florida. It is to be noted that this is the property which is adjacent to the residence formerly owned by KRUSE at 1902 Notre Dame Boulevard, Lake Worth, Florida, which was improved only with a swimming pool.

Deed Book 1341, Page 266, disclosed that a Warranty Deed dated February 20, 1966, and filed March 9, 1966, deeding the property from KRUSE and his wife to IAN MOORE and wife, whose address was shown as 4300 Washington Road, West Palm Beach, Florida. The paper was notarized by EDITH FORAN, West Palm Beach, and witnessed by eligible names. The State of Florida stamps on this document totaled $49.55 which is at the rate of 30¢ per $100.00.

Mortgage Book 1341, Page 267, reflects a mortgage on this same property in the amount of $11,500.00 given to KRUSE by MOORE which was dated February 28, 1966, and is payable on or before nine months after date. It is to be noted that the above reflects the disposition by subject of all of his property in the area of West Palm Beach, Florida.

III. HANGOUTS

CG T-2 advised in early March, 1966, that KRUSE normally visits the Peter Epstein Pontiac Agency at 9:15 in the morning or 3:45 p.m., and has stated that the reason for this contact is to make telephone calls because he can use these phones without being charged for the calls.

This informant further stated that KRUSE frequently visits the MGM Lounge in Cicero, Illinois, and while in the Loop, often visits with RALPH PIERCE and others at Stouffers Restaurant.

IV. ASSOCIATES

CG T-2 advised KRUSE contacted PETER EPSTEIN on February 24, 1966, and reportedly has a piece of the Peter Epstein Pontiac Agency.

This informant further stated that KRUSE continues meeting on a weekly basis with ANTHONY ACCARDO and other persons at various locations on the west side.

He also advised that [redacted] Chicago attorney, is a close associate of KRUSE.

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CG T-1 advised that KRUSE has been recently in almost daily contact with [redacted] for many of the Chicago hoodlums.

On March 28, 1966, during chance meeting with SA WILLIAM F. HOEMER, KRUSE and RALPH PIERCE admitted just leaving GUS ALEX, Chicago hoodlum, with whom they have lunch frequently. According to these individuals, ALEX is extremely upset concerning his forthcoming appearance before the Federal Grand Jury in Chicago.

CG T-3 advised that on March 7, 1966, he observed a black Pontiac Bonneville, bearing 1966 Illinois license number LK 3773 and bearing Skokie, Illinois, vehicle sticker number 21215 affixed in the lower left hand corner of the front windshield, in the parking garage between the Woods Theater and the Greyhound Bus Terminal on Randolph Street in Chicago at 1:30 p.m. He advised that the vehicle was located about half way into the garage on the first floor. At approximately 3 p.m., the vehicle was still parked there.

Informant advised that he then observed the interior of [redacted] Stamp Store on the east side of Dearborn Street between Randolph and Washington and observed LES KRUSE engaged in conversation with the clerk in the store. At 3:20 p.m., KRUSE left [redacted] Stamp Store, proceeded along the east side of Dearborn and along the north side of Randolph to the above garage where he proceeded directly to the vehicle identified above. He did not stop at the cashier's cage. A colored carhiker removed the car from its stall and upon receiving a tip, turned it over to KRUSE. KRUSE drove the car into the alley in an eastward direction to Dearborn Street, and then proceeded north on Dearborn. Informant advised that several months ago he furnished information that an individual unknown to him at that time accompanied RALPH PIERCE on foot from the Pittsfield Building at 55 West Washington to Marina City where they apparently visited the apartment of the now deceased MURRAY HUMPHREYS. Informant advised that he is now certain that the individual who accompanied PIERCE on that occasion is identical with LES KRUSE. Informant advised that on March 7, 1966, KRUSE was wearing a gray hat, a dark overcoat, probably navy blue in color, with a Chesterfield collar. He also wore a red woolen muffler and a dark blue suit with black alligator type shoes. b6 b7C

On March 15, 1966, CG T-3, while observing RALPH PIERCE, noted KRUSE approached Stouffers Restaurant from the north and enter on the Wabash entrance at Wabash and Randolph. At 12:25 p.m., this informant observed PIERCE, KRUSE, and GUS ALEX leave Stouffers together via the Wabash Avenue entrance. They walked together to the corner of Randolph and Wabash where they split up. PIERCE proceeded south on the east side of Wabash, while ALEX and KRUSE went west on the north side of Wabash.

CG T-3 advised on May 10, 1966, that at 2:00 p.m., KRUSE and PIERCE were observed together in the basement of the Pittsfield Building.

On May 11, 1966, CG T-3 advised that he observed PIERCE and KRUSE lunch together in the basement of the Pittsfield Building at 11:35 a.m.

On May 23, 1966, KRUSE, GUS ALEX, and RALPH PIERCE were observed by SAs GERHARD MAISEL and [redacted] b6 b7C meeting for lunch at Stouffers Restaurant at Randolph and Wabash. After departing Stouffers, they met again at the first floor telephone booth of the Marshall Field Department Store where it is known that they have frequently conducted business in the past. At approximately 1:45 p.m., PIERCE and KRUSE entered the Pittsfield basement restaurant where they were joined by hoodlum LEONARD PATRICK and one other unidentified man.

CG T-3 advised on May 12, 1966, ALEX, PIERCE, and KRUSE met at approximately 11:30 a.m. at Stouffers Restaurant, identified above. At 12:25 p.m., they left together with KRUSE entering the parking lot located on the north side of Randolph between Dearborn and Clark Streets.

CG T-3 advised that on May 13, 1966, at 11:45 a.m., KRUSE entered the basement restaurant in the Pittsfield Building and had lunch with RALPH PIERCE.

CG T-3 advised that on May 21, 1966, PIERCE, KRUSE, and ALEX were observed departing from Stouffers Restaurant at approximately 12:40 [redacted] PIERCE and KRUSE then entered the Pittsfield Build[redacted]

On June 2, 1966, CG T-3 advised KRUSE's Pontiac Broughan, bearing 1966 Illinois license LK 3773, was observed in his usual parking garage at Randolph and Dearborn.

This informant then proceeded to the Pittsfield Building where he observed PIERCE and KRUSE conversing with an individual driving a 1965 Ford automobile bearing 1966 Illinois license number AN 2522, which was identified as an automobile on official business from the Chicago Police Department.

It was subsequently learned that this individual wasa Lieutenant [redacted] of the Chicago Police Department.

On June 6, 1966, CG T-3 observed KRUSE and PIERCE depart from the Pittsfield Building and enter a Checker Taxi Cab bearing number 4800.

On June 13, 1966, CG T-3 observed KRUSE, PIERCE, and MAURICE GORDON leave Stouffers Restaurant at 12:36 pm.

V. TRAVEL

On March 4, 1966, CG T-1 advised that KRUSE, to the best of his knowledge, had not recently left the Chicago area, specifically on March 1 and 2, 1966.

On March 5, 1966, CG T-1 stated he had learned that KRUSE had departed Chicago some time during the last week and believed KRUSE had gone to Florida to meet his wife. The informant said that KRUSE had left his car in the driveway in order to throw off any suspicious on-lookers, indicating that KRUSE desired his travel to be undetected. Normally, according to this informant, KRUSE, when he travels, leaves his car at the Peter Epstein Pontiac Agency.

b6
b7C

During a chance meeting on April 28, 1966, AS ROEMER learned that KRUSE was presently in Hot Springs, Arkansas, accompanied by [redacted] PIERCE also advised that JOE FUSCO, former Capone associate, now a liquor distributor in Chicago, is also in the Hot Springs area with KRUSE as is [redacted] the Black Angus Restaurant. PIERCE stated KRUSE intends to return to Chicago on May 1, 1966.

CG T-4 advised on April 18, 1966, that there is a meeting being held in Hot Springs, Arkansas, which will be attended by about 20 persons from Chicago. Those known who will attend are LES KRUSE, RALPH PIERCE, [redacted]

[redacted] who is on parole from Terre Haute and who will attend with permission from the parole board as a guest of [redacted], and MAURICE NORMAN, owner of the Cart Restaurant. Some of the individuals left Chicago April 17, 1966, and some will leave on the 18th. One or two wives will travel to Hot Springs.

CG T-2 advised on April 11, 1966, that KRUSE was due back in Chicago on that date from Nebraska where he had visited [redacted].

The following investigation was conducted at Hot Springs, Arkansas, by SA [redacted]:

CG T-5 advised that on April 26, 1966, the following individuals from the Chicago area had checked into the Arlington Hotel, Hot Springs, Arkansas, on the indicated dates. Each of these individuals were occupying separate rooms with the exception of [redacted] arrived April 16, 1966. JOE FUSCO arrived April 17, 1966, [redacted] and LES KRUSE arrived April 18, 1966. b6 b7C

[redacted] listed his address as [redacted] and [redacted] listed his residence as [redacted]

CG T-5 further advised he observed these individuals on several occasions associating with each other with the exception of KRUSE who appeared to be alone. He did not observe KRUSE in the presence of the other individuals in the lobby or other locations at the hotel.

CG T-5 learned that KRUSE had complained about the unfavorable weather since he arrived in Hot Springs and had been unable to play golf. All of the above individuals are taking the thermo-baths at the hotel.

On May 12, 1966, CG T-5 advised KRUSE, [redacted], and [redacted] checked out of the hotel on April 28, 1966. FUSCO checked out on the 29th. KRUSE had indicated he was returning to Chicago. b6 b7C

VI. ILLEGAL ACTIVITIES

CG T-6 advised he is unaware as of March 8, 1966, where KRUSE had been in the Miami area recently. He stated the slot machines in which KRUSE has an interest are still stored in the Hispanol Hotel, Santo Domingo, Dominican Republic.

On March 18, 1966, CG T-2 advised that at approximately 8:00 p.m., he observed KRUSE wearing a sport coat with a dark shirt which is unusual since KRUSE normally dressed in a business-like fashion. KRUSE left his residence and this informant believed KRUSE may possibly have had a rendezvous on Chicago's west side with other members of the hoodlum element.

Based upon the fact that KRUSE [redacted] Referral/Consult [redacted] the Springfield Division was requested to furnish any information concerning the Owl Club from the records of the partnerships maintained by the State of Illinois.

On May 19, 1966, [redacted] Corporation Section, Secretary of State, Springfield, Illinois, advised IC [redacted] that a check of records failed to reflect any record for the Owl Club. b6 b7C

CG T-2 stated that on Sunday, May 15, 1966, KRUSE left his residence at 2:00 p.m. and did not return until 8:00 p.m. Informant believed that KRUSE met with some members of organized crime and that he usually does so on Sunday.

CG 92-1037

CG T-6 advised on May 23, 1966, that he has not received any word that KRUSE has been in Florida recently. He stated the status of the slot machines in Santo Domingo remains the same and that if these machines had been moved or used, it is without his knowledge.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

July 14, 1966

In Reply, Please Refer to
File No. 92-1037

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] dated and captioned as above.

b6
b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. 92-1037

Chicago, Illinois
July 14, 1966

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual acquainted with Kruse and his activities.

Chicago T-2 is an individual who has knowledge of Kruse's daily activities and many of his associates.

Chicago T-3 is an individual in a position to furnish daily information concerning Kruse's activities while in the Chicago Loop area.

Chicago T-4 is a person who occasionally receives information regarding Kruse's activities.

Chicago T-5 is an individual in a position to furnish information regarding Kruse when he is in the Hot Springs, Arkansas, area.

Chicago T-6 is an individual who occasionally comes into possession of information regarding Kruse's activities in the State of Florida.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

TELETYPE UNIT
OCT 5 1966
ENCODED MESSAGE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

WA -2- 3:16 PM CDT EH

DEFERRED 10/5/66 DCM

TO DIRECTOR AND LITTLE ROCK

FROM CHICAGO

LESLIE KRUSE, AKA. AR. OO CHICAGO.

[redacted] ADVISED OCT FIVE INSTANT b7D

THAT KRUSE AND RALPH PIERCE WILL DEPART CHICAGO OCT SIX NEXT ENROUTE HOT SPRINGS, ARK., VIA AIR. DETAILS OF DEPARTURE UNKNOWN THIS TIME. KRUSE WILL STAY ARLINGTON HOTEL; PIERCE WILL STAY EASTMAN HOTEL. TENTATIVE DURATION TWO WEEKS~~WZ~~.

LITTLE ROCK VERIFY INFO AND ADVISE CHICAGO. THROUGH ESTABLISHED SOURCES ASCERTAIN ACTIVITIES WHILE IN HOT SPRINGS. ~~KC~~LITTLE ROCK ADVISED SEPARATELY.

92-5505-271

END KDXR

REC-6

F AKJ

FBI WASH D C

12 OCT 6 1966

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FD-263 (Rev. 9-17-65)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	11/30/66	7/11 - 11/22/66

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] TYPED BY: laj b6 b7C

CHARACTER OF CASE

AR

REFERENCE: Report of SA [redacted] dated 7/14/66, at Chicago.

- P -

ENCLOSURES

TO BUREAU

Two (2) copies of a letterhead memorandum characterizing informants utilized in this report.

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to develop information concerning the activities and associates of LESLIE KRUSE in an attempt to develop an Anti-Racketeering violation or any violation within the federal statutes.

Case has been: Pending over one year ☒ Yes ☐ No; Pending prosecution over six months ☐ Yes ☒ No

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-272 REC 13

COPIES MADE:

3 - Bureau (92-5505) (Encls. 2)

1 - USA, Chicago

2 - Chicago (92-1037)

DEC 2 1966

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	
By	Section, Room 2511.

Notations

1066

CG 92-1037

ADMINISTRATIVE

The period of this report is extensive inasmuch as the Agent to whom this matter was previously assigned has resigned from the Bureau and no current report was written prior to his resignation. This matter has been maintained in a pending status and investigation has been intensive.

INFORMANTS

Source	Date	Agent
CG T-1 [redacted]	7/20/66 9/22/66 10/5/66 10/29/66 11/18/66	SA [redacted]
CG T-2 [redacted]	7/11/66 7/14/66 7/25/66 9/12/66 10/3/66	SA WILLIAM F. ROEMER
CG T-3 [redacted] (Former [redacted]	7/25/66	SA [redacted]
CG T-4 [redacted]	8/3/66 10/11/66	SA WILLIAM F. ROEMER
CG T-5 [redacted]	10/20/66	SA RUSSELL R. GIRSCH

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b7D

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: 11/30/66

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: LESLIE KRUSE continues residence 5206 West Oakton, Skokie, Illinois. Affiliated with Nu-Way Plumbing and Nu-Way Food Service in Chicago. Between 7/11/66 and 11/22/66, KRUSE has maintained contact with RALPH PIERCE, GUS ALEX, FRANK LA PORTE, [redacted] and others of organized criminal element. Traveled to Hot Springs, Arkansas, 10/6/66 to 11/1/66. Contacted GEORGE BIEBER, Attorney, and [redacted] Local 134, IBEW, Chicago.

- P -

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CG 92-1037

DETAILS:

I. BACKGROUND

Residence

CG T-1 advised on November 18, 1966, that LESLIE KRUSE continues his residence at 5206 West Oakton, Skokie, Illinois, with his wife, ELSIE. The source stated that KRUSE and his wife occupy the second floor apartment at this address and the lower level is occupied by [redacted] b6 b7C

Employment

CG T-1 has further advised that LESLIE KRUSE continues to affiliate himself as a co-owner with the Nu-Way Plumbing and Contracting Company as well as the Nu-Way Food Service, both located at 655 North Kedzie in Chicago. According to this source, KRUSE very rarely, if ever, makes an appearance at either of these places of business.

Relatives

CG T-1 advised in July, 1966, that [redacted] was then employed with the Nu-Way Plumbing and Contracting Company and was attending De Paul University Law School in the evening. [redacted] planned to attend De Paul University as a full-time student in the beginning of the fall semester of the School of Law.

This source stated further that [redacted] has contracted for a teaching job at Niles Township High School, beginning with the fall semester and will be teaching the elementary grades.

According to the source, [redacted] will return to Culver Military Academy, Culver, Indiana, for the fall semester.

[redacted] to pursue her studies at the University of Iowa in Iowa City, [redacted] will continue Iowa.

II. CRIMINAL ACTIVITIES AND ASSOCIATES

CG T-2 advised in July, 1966, that on June 11, 1966, LESLIE KRUSE was observed entering the Pittsfield Building, 55 Washington Street, Chicago, at 11:50 A.M. KRUSE was observed at 11:50 A.M. seated with an unknown individual in the Pittsfield Restaurant.

On July 14, 1966, LESLIE KRUSE was observed at the cashier's counter of the H & H Restaurant on LaSalle Street between Lake and Randolph. At 2:17 P.M., on this date, a 1966 black Pontiac automobile bearing 1966 Illinois license LK 3773 was observed parked directly in front of the H & H Restaurant. Parked immediately behind this automobile was a light blue Pontiac bearing 1966 Illinois license [redacted] which license is registered to [redacted] in care of the Hyde Park Insurance Agency. It is noted that LESLIE KRUSE is registered for license LK 3773. b6 b7C

On July 25, 1966, CG T-2 observed RALPH PIERCE, LESLIE KRUSE and GUS ALEX in a meeting at Stouffer's Restaurant, Randolph and Wabash Streets in Chicago. Immediately after this meeting, KRUSE and PIERCE were observed entering the Randolph Towers Building, where the offices of Bieber & Brodkin and Postl's Health Club are located.

CG T-3 advised in July, 1966, that he had received information from a friend recently returned from Santo Domingo, Dominican Republic, indicating that slot machines, which reportedly had belonged to [redacted] and LES KRUSE stored in the Hispanol Hotel, had reportedly been moved by [redacted] to an unknown location.

According to this source, it was probably that KRUSE had given permission to [redacted] to move and/or use the machines; however, it was the opinion of this source that KRUSE may not have been aware of the change in location of these machines. This source indicated that he would attempt to obtain information concerning these machines and any knowledge KRUSE might have concerning them, but since the difficulty in Santo Domingo with the government and gambling, communication had been a problem. b6 b7C

On September 9, 1966, CG T-3 advised that he was unable to establish contact with any sources concerning the movement or location of the slot machines.

It should be noted that information was developed on September 17, 1966, indicating that several slot machines and two pin ball machines operating at the Hotel Hispaniola, Santo Domingo, were being [redacted] According to this source, this hotel was being used as officers quarters for military personnel stationed at the Dominican Republic and that on September 16, 1966, [redacted] removed these machines from the premises.

According to this source, the machines were either stored in Santo Domingo or have been moved to another location. It was stated by this source that the machines were not stored in the aforementioned hotel.

CG T-4, during a contact in August, 1966, made the observation that all members of the organized criminal element in Chicago are extremely upset and concerned over articles which were appearing in local newspaper media which might cause authorities in Las Vegas, Nevada, and London, England, to institute investigation and action not otherwise contemplated in connection with allegations of hoodlum influence in gambling activities and ventures. According to this source, GUS ALEX, LESLIE KRUSE and RALPH PIERCE recently met and ALEX was extremely upset concerning an article appearing in a local newspaper indicating that ALEX and LESLIE KRUSE had traveled to London, England, where they made deals for secret interests in English gambling casinos. According

to this source, LESLIE KRUSE did not then and has never travelled to London, England, with GUS ALEX. No denial was made concerning the travel of ALEX.

This source stated that federal intervention into affairs which are none of their business were apparently designed to hurt the organized criminal element in Las Vegas and Chicago.

CG T-2 advised that a meeting was held on September 12, 1966, at Trader Vic's Restaurant in the Palmer House, and that such persons as RALPH PIERCE, [redacted], LES KRUSE and EDWARD VOGEL were in attendance. This source stated that all of these persons used evasive tactics in arriving at the rendezvous and timed their arrivals so that each arrived separately and at a time different from the others. [redacted] was observed to leave the group frequently in an attempt to determine whether this group was under surveillance. The meeting lasted for approximately 1½ hours.

According to CG T-2, GUS ALEX, RALPH PIERCE and LESLIE KRUSE arrived separately at Staley's Restaurant in Chicago's Loop during the lunch hour on September 19, 1966. b6 b7C

CG T-1 advised on September 22, 1996, that on September 19, 1966, he had observed LES KRUSE at the H & H Restaurant on LaSalle Street at approximately 2:00 P.M. in the company with [redacted]

It should be noted that CG T-2 advised on September 15, 1966, that LESLIE KRUSE was observed dining at the H & H Restaurant with [redacted] and two unknown unknown individuals. This source subsequently determined that one of these individuals was [redacted], also known as [redacted]

It is noted that [redacted] was at one time a money lender at a gambling game located at the J & J Picinic Grove in Will County, Illinois, which game was operated by LES KRUSE. b6 b7C

CG T-2 advised that GUS ALEX, RALPH PIERCE and LES KRUSE had luncheon together on October 3, 1966, in the upstairs dining room of the Palmer's Pub. In connection with this meeting on October 3, 1966, CG T-4 advised on October 11, 1966, that FRANK LA PORTE was a fourth person at this meeting.

According to CG T-1, LESLIE KRUSE, [redacted] had lunch together in the H & H Restaurant, LaSalle and Lake Streets on October 29, 1966.

III. TRAVEL

CG T-1 advised on October 5, 1966, that LESLIE KRUSE was planning a trip to Hot Springs, Arkansas, with departure date on or about October 6, 1966. According to this source, the purpose of this trip was strictly pleasure.

A communication dated October 13, 1966, from the Little Rock Division of the FBI indicated that LESLIE KRUSE had arrived in Hot Springs, Arkansas, on October 6, 1966, and was residing at the Arlington Hotel, Room 916.

On November 2, 1966, CG T-1 advised that LESLIE KRUSE had returned from his Hot Springs visit on or about November 1, 1966.

It should be noted that CG T-5 advised on October 20, 1966, that GEORGE BIEBER, Attorney with the firm of Bieber and Brodkin, was in contact with LESLIE KRUSE while in Hot Springs, Arkansas. This source stated further that KRUSE was also in contact with (FNU) [redacted] while in Hot Springs, Arkansas.

It should be noted that the above [redacted] is identical with [redacted]

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b7C

[redacted] was known to be a close friend and special contact of MURRAY L. HUMPHREYS (deceased) and it is possible that [redacted] now maintains contact with KRUSE.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. 92-1037

Chicago, Illinois
November 30, 1966

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] b6
[redacted] dated and captioned b7C
as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
November 30, 1966

In Reply, Please Refer to File No. 92-1037

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

Chicago T-1 is an individual who is knowledgeable concerning Leslie Kruse and members of the organized criminal element in Chicago.

Chicago T-2 is an individual who is familiar with leading figures of organized crime.

Chicago T-3 is an individual who was utilized abroad by organized crime.

Chicago T-4 is an individual who is knowledgeable concerning organized crime and its leaders.

Chicago T-5 is an individual closely associated with members of the organized criminal element.

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FD-26 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	3/2/67	11/23/66 - 2/17/67

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] TYPED BY: rms

CHARACTER OF CASE

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REFERENCE: Report of SA [redacted] dated 11/30/66, at Chicago.

- P -

ENCLOSURES

TO BUREAU

Two (2) copies of a LHM characterizing informants utilized in this report.

Pending over one year - Yes.
Pending prosecution over six months - No.

APPROVED [redacted] SPECIAL AGENT IN CHARGE

COPIES MADE:

3 - Bureau (92-5505) (~~Encl. 2~~)

1 - USA, Chicago

2 - Chicago (92-1037)

DO NOT WRITE IN SPACES BELOW

92-5505-273

REC 6

EX-103

12 MAR 6 1967

[redacted]

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	
By	SMAR Report 24

Notations

NINE STAT. SECT.

59 MAR 14 1967

1drd

CG 92-1037

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to develop information concerning the activities and associates of LESLIE KRUSE in an attempt to develop an Anti-Racketeering violation or any violation within the purview of the federal statutes.

INFORMANTS

Source	Date Contacted	Contacting Agent
CG T-1 [redacted]	12/2/66 1/6/67 2/3, 17/67	SA [redacted]
CG T-2 [redacted] (former [redacted]	11/23/66 1/23/67	SA [redacted]
CG T-3 [redacted]	12/8/66 1/4, 23/67	SA WILLIAM F. ROEMER, Jr.
CG T-4 [redacted]	1/4/67	SA WILLIAM F. ROEMER, Jr.
CG T-5 [redacted]	1/4/67	SA WILLIAM F. ROEMER, Jr.
CG T-6 [redacted]	1/20/67	SA LENARD A. WOLF

b6
b7C

FD [illegible] 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago, Illinois b6 b7C
Date: March 2, 1967

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: LESLIE KRUSE currently resides at 8016 Prairie, Skokie, Illinois, with his wife ELSIE. KRUSE not actively engaged in legitimate enterprise. KRUSE continues contact on almost daily basis with RALPH PIERCE, GUS ALEX and other known hoodlums. Commented concerning conviction of WILLIE MESSINO and others that conviction deserved and would not intercede on their behalf. KRUSE thwarted in establishing crap game, Lake County, Illinois.

- P -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037

DETAILS:

I. BACKGROUND

Residence

CG T-1 advised on February 17, 1967, that LESLIE KRUSE continues his residence at 8016 Prairie, Skokie, Illinois, with his wife ELSIE. According to this source, KRUSE moved into this residence shortly after Christmas, 1966, and on January 20, 1967, this source furnished the above address. It was also stated that the residence located at 5206 West Oakton, Skokie, formerly occupied by KRUSE, is now occupied by [redacted]

Employment

According to CG T-1, LESLIE KRUSE does not actively pursue any occupational endeavor which necessitates his physical appearance. His source of income is derived from his majority holding in the Nu-Way Plumbing and Contracting Company, Chicago, Illinois. KRUSE is not actively engaged in the operation or direction of this business. b6 b7C

II. CRIMINAL ACTIVITIES AND ASSOCIATES

It should be noted that information was received during the latter part of 1966, indicating slot machines utilized in Santo Domingo, Dominican Republic, reportedly belonging to [redacted] and LESLIE KRUSE, had been placed in storage but had subsequently been moved to another location. A source was attempting to determine the ownership and whereabouts of these machines.

CG T-2 advised during November, 1966, that he had attempted to contact LESLIE KRUSE concerning the present location of the slot machines in Santo Domingo, but as of

that time, no response to the contact had been forthcoming. In January, 1967, this source stated he had heard nothing further regarding this matter.

CG T-1 advised in December, 1966, that LESLIE KRUSE can be contacted on a daily basis at Peter Epsteen Pontiac Agency, Skokie, Illinois, making the observation that this is usually the first stop KRUSE makes after leaving his residence. It was further mentioned that KRUSE usually proceeds from Epsteen's Pontiac Agency to the Chicago Loop area where he makes contact with either GUS ALEX, RALPH PIERCE or both of these individuals.

CG T-3 advised in December, 1966, that GUS ALEX, RALPH PIERCE and LESLIE KRUSE had met on December 8, 1966, at Boveri's Italian Restaurant, 20 East Lake Street, Chicago. It should be noted that information obtained in the past had indicated that these persons and other highly placed individuals in the organized criminal element in Chicago had reportedly been holding meetings at an Italian restaurant on Lake Street. It would appear that Boveri's Restaurant is the establishment referred to in the past.

CG T-3 further stated that LESLIE KRUSE continues his practice of parking his Pontiac automobile in the parking garage located on the north side of Randolph Street across from the Chicago Civic Center. Usually KRUSE arrives in the Loop area sometime between 10:30 a.m. and 11 a.m., and utilizes this parking area for its convenience to known establishments where he contacts RALPH PIERCE and GUS ALEX.

CG T-3, CG T-4 and CG T-5 advised in January, 1967, that LESLIE KRUSE, RALPH PIERCE and [redacted] were observed in the basement restaurant of the Pittsfield Building, Chicago, on January 4, 1967. It was further stated that within a short time after this gathering, the aforementioned group was joined by [redacted] a prominent Chicago criminal attorney who has been utilized as a defense counsel for many of the top hoodlums in Chicago. The purpose of this contact was not known. b6 b7C

CG T-3 advised in January, 1967, that LESLIE KRUSE, GUS ALEX and RALPH PIERCE had met with an unknown person at Stouffer's Restaurant in the Chicago Loop on January 23, 1967. The purpose of this meeting and the identity of the individual with them were unknown.

It was subsequently determined that the unknown individual meeting with ALEX, PIERCE and KRUSE on January 23, 1967, was [redacted], a Chicago defense attorney who was engaged as [redacted] for Chicago top hoodlum WILLIAM JOSEPH MESSINO. MESSINO was one of multiple defendants convicted on January 22, 1967, in Cook County Court, for aggravated assault in connection with two "juice" victims. It was presumed that the purpose for [redacted] contact related to the MESSINO conviction. b6 b7C

CG T-1 advised in February, 1967, that while in conversation with LESLIE KRUSE, the conviction of WILLIE MESSINO, GEORGE and NICK BRAVOS and others connected with the "juice" trial was mentioned. KRUSE commented that they (all subjects) had it coming to them (the conviction) and they had no right to touch those guys. It was stated that their action had been taken on their own, and if they had asked whether they could take extreme measures, they would certainly have been told no. KRUSE indicated that his feelings are also shared by GUS ALEX and RALPH PIERCE. It was further indicated that MESSINO was on bad paper resulting from his past performances and in all probability, he and the others would have to take their medicine in connection with this conviction.

CG T-6, during January, 1967, made the observation that LESLIE KRUSE is a daily visitor at Peter Epsteen Pontiac Agency, and this source suspects that KRUSE has an interest in that agency.

It was further stated by CG T-6 that KRUSE, during January, 1967, was complaining because he had a crap game all set to go in Lake County, Illinois, but could not open

because he was unable to find a new location for the game. He complained that his games in Lake County have been knocked off and it is exceedingly difficult to obtain new spots. He indicated that he was finally forced to send the equipment for this crap game back where it came from.

III. LEGITIMATE ENTERPRISE

CG T-1 advised during December, 1966, that LESLIE KRUSE is not now and has not been for some time listed as an officer of the Nu-Way Plumbing and Contracting Company. He continues as a major stockholder but removed himself as a corporate officer because of income tax troubles. According to this source, Nu-Way Plumbing and Contracting has recently entered into an agreement with the University of Chicago, Circle Campus, to build a swimming pool in that institution. It was stated that [redacted] commonly referred to as the [redacted], and a known "fixer" in Chicago's First Ward, acts as an intermediary for Nu-Way with contracts that are arranged and negotiated within the First Ward of Chicago. According to this source, KRUSE seldom, if ever, makes a physical appearance at the offices of Nu-Way Plumbing and Contracting Company, leaving the operation of this business to HENRY ORTH. b6 b7C

IV. MISCELLANEOUS

CG T-1 advised on January 6, 1967, that LESLIE KRUSE had recently purchased and received a new 1967 black Pontiac Bonneville and at that time, continued with license plate number LK 3337. This car was received on December 30, 1966, from Peter Epsteen Pontiac Agency.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
March 2, 1967

In Reply, Please Refer to
File No. 92-1037

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] dated and captioned as above at Chicago, Illinois. b6 b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No. 92-1037

Chicago, Illinois
March 2, 1967

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

CG T-1 is an individual who is knowledgeable concerning Leslie Kruse and members of the organized criminal element in Chicago.

CG T-2 is an individual who was utilized abroad by organized crime.

CG T-3 is an individual who is familiar with leading figures of organized crime.

CG T-4 is an individual who is knowledgeable concerning persons connected with organized crime.

CG T-5 is a hoodlum.

CG T-6 is a hoodlum.

This document contains neither recommendations nor conclusions of the Federal Bureau of Investigation. It is the property of the Federal Bureau of Investigation and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 14 1967
TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC

FBI CHICAGO

1028AM DEFERRED 3/14/67 JLS

TO DIRECTOR (92-5505) AND LITTLE ROCK (92-305)

FROM CHICAGO (92-1037) 1P

LESLIE EARL KRUSE, AKA. AR. OO CHICAGO.

REMYTEL MARCH TEN LAST CAPTIONED "GUS ALEX, AKA. AR."

[redacted] ADVISED LES KRUSE b7D

PRESENTLY IN HOT SPRINGS, ARK., PROBABLY AT ARLINGTON HOTEL.

KRUSE APPARENTLY ALONE AS RALPH PIERCE OBSERVED IN CHICAGO

MARCH THIRTEEN LAST. ALSO, KRUSE'S WIFE KNOWN TO BE IN

CHICAGO THIS TIME.

LITTLE ROCK REQUESTED TO ASCERTAIN KRUSE'S CONTACTS AND

ACTIVITIES THROUGH ESTABLISHED SOURCES.

92 [illegible] - 274

END

GJG

REC-9

5 MAR 15 1967

FBI WASH DC

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
MAR 2 0 1967

TELETYPE

FBI WASH DC

FBI CHICAGO

443 PM DEFERRED 3-16-67 CRA

TO DIRECTOR (92-5505) AND LITTLE ROCK (92-305)

FROM CHICAGO (92-1037)

LESLIE KRUSE, AKA. AR. OO CHICAGO.

REMYTELS MARCH TEN ENTITLED GUS ALEX, AKA. AR AND MARCH FOURTEEN LAST ABOVE CAPTION ADVISING THAT KRUSE IN HOT SPRINGS, ARK.

[redacted] ADVISED HE OBSERVED KRUSE MEETING WITH RALPH PIERCE IN PITTSFIELD BUILDING CHICAGO LATE AM MARCH SIXTEEN INSTANT. APPARENTLY KRUSE RETURNED TO CHICAGO MARCH FIFTEEN LAST.

END

WRD

FBI WASH DC

@

b7D

REC 51 92-5505-275

EX 106

MAR 17 1967

Mr. Tolson ✓
Mr. DeLoach ✓
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC

FBI CHICAGO

12:10PMAM DEFERRED 8/15/67 EOM

TO DIRECTOR (92-5505)

FROM CHICAGO (92-1037) 2P

LESLIE KRUSE, AKA. AR. OO CHICAGO.

AS BUREAU AWARE, [redacted] TRUE NAME [redacted] IS CLOSE ASSOCIATE OF AND HAS MANY BUSINESS DEALINGS WITH LESLIE KRUSE, ONE OF TOP LEADERS OF CHICAGO HOODLUM GROUP.

[redacted] ALONG WITH NUMEROUS OTHERS, WAS SENTENCED TO TEN YEARS IN PRISON JUNE TWENTY SEVEN LAST FOR CONSPIRACY IN TFIS CASE IN USDC, CHICAGO. DURING COURSE OF THAT TRIAL CONSIDERABLE INFO WAS FURNISHED BY CHICAGO DIVISION TO AUSA [redacted] b6 b7C ABOUT [redacted] BUSINESS ESTABLISHMENT, [redacted] [redacted] WHICH HAS LONG BEEN MEETING PLACE OF KRUSE AND HIS ASSOCIATES ALONG WITH MANY OTHER HOODLUMS, GAMBLERS AND POLITICIA

REC 20 92-5505-276 AUG 16 1967

AS RESULT OF INFO FURNISHED TO AUSA [redacted] CRIMINAL INFORMATION RECENTLY FILED IN USDC, CHICAGO, CHARGING [redacted] [redacted] WITH SELLING

END PAGE ONE

MR. DELOACH FOR THE DIRECTOR

62 AUG 23 1967

LIQUOR AT THIS ESTABLISHMENT SINCE NINETEEN SIXTY THREE WITHOUT FEDERAL LIQUOR STAMP.

NOTED [redacted] REPORTED TO BE [redacted] b6 b7C

[redacted] WHILE [redacted] IS MERELY FRONT MAN.

~~HOLD LN FOR CORR~~

~~PG ONE LN 10 WD 4 SHD BE LA SALLE~~

END

WRD

FBI WASH DC

P

CC: MR. GALE

FD-263 (Rev. 9-17-65)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	10/4/67	3/10/67 - 9/27/67

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY [redacted] TYPED BY gas b6 b7C

CHARACTER OF CASE

AR

REFERENCES: Report of SA [redacted] dated 3/2/67 at Chicago;
Chicago teletype to Director dated 3/14/67;
Chicago teletype to Director dated 3/16/67;
Miami letter to Chicago dated 3/27/67;
Chicago airtel to Director captioned "Criminal Intelligence Program" dated 5/22/67;
Chicago letter to Las Vegas dated 5/23/67;
Las Vegas letter to Chicago dated 7/17/67;
Chicago letter to Little Rock dated 7/31/67;
Chicago teletype to Director dated 8/15/67;
Little Rock letter to Chicago dated 8/25/67.

- P -

ENCLOSURES

TO BUREAU (2)

Two copies of a letterhead memorandum characterizing

Accomplishments Claimed: None

Case has been: Pending over one year [X] Yes [ ] No; Pending prosecution over six months [ ] Yes [X] No

APPROVED SPECIAL AGENT IN CHARGE

COPIES MADE:

3 - Bureau (92-5505) (Enc. 2)

1 - USA, Chicago

2 - Chicago (92-1037)

DO NOT WRITE IN SPACES BELOW

92-5505-277

REC 16

EX-104

13 OCT 9 1967

Dissemination Record of Attached Report				
Agency				
Request Recd.	1	CC. AAG, Criminal Division,		
Date Fwd.				
How Fwd.		Organized Crime and Racketeering		
By		Section, Room 2524		

62 OCT 19 1967 1 cc'd

Notations

NINE STAT. STOP

informants utilized in this report.

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to closely follow the activities and contacts made by LESLIE KRUSE in an attempt to develop an Anti-Racketeering violation or any violation within the purview of the federal statutes.

ADMINISTRATIVE

Although the period between reports in this matter has been extensive, it has received constant and continuing attention and has been maintained in a current status within the Chicago Office.

INFORMANTS

Sources	Date of Contact	Contacting Agent
CG T-1 [redacted]	March 10, 14, 16, and 31, 1967; April 11, 25, 1967; June 12, 1967; July 31, 1967; September 20, 1967	SA [redacted]
CG T-2 [redacted]	March 15, 1967	SA [redacted]
CG T-3 [redacted]	March 24, 1967	SA WILLIAM F. ROEMER
CG T-4 [redacted]	March 11, 1967; April 12, 1967; May 22, 1967	SA WILLIAM F. ROEMER

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b7D

CG 92-1037

Source	Date of Contact	Contacting Agent
CG T-5 [redacted]	April 14, 1967	SA [redacted]
CG T-6 [redacted]	April 24, 1967	SA THOMAS W. PARRISH

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b7D

- C* -
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: October 4, 1967

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues residence 8016 Prairie, Skokie, Illinois. Not gainfully employed. Continues association and daily contact with GUS ALEX and RALPH PIERCE. This group responsible for obtaining "fixes" in matters regarding local hoodlums. KRUSE traveled Hot Springs, Arkansas, March, 1967. Reported in Las Vegas, Nevada, April, 1967, no corroboration.

- P -

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b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037

DETAILS:

I. BACKGROUND

Residence

CG T-1 advised on September 20, 1967, that LESLIE KRUSE continues his residence at 8016 Prairie, Skokie, Illinois, with his wife ELSIE. The unpublished telephone number at this residence is 679-2896.

Employment

According to CG T-1, LESLIE KRUSE does not actively pursue any occupational endeavor which necessitates his physical appearance. His source of income is derived from his stockholdings in the New Way Plumbing and Contracting Company, Chicago, Illinois. KRUSE is not actively engaged in the operation or direction of this business.

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Relatives

CG T-1 advised in September, 1967, that [redacted] has returned to Culver Military Academy, and that [redacted] continues his law studies at DePaul University in Chicago. This source stated that [redacted] graduated from Iowa State University in June, 1967, and received a European trip as her graduation present. She returned to the United States during late August, 1967, but this source is not aware of her employment plans for the coming year. It is noted that [redacted] received a degree in physical education.

II. CRIMINAL ACTIVITIES AND ASSOCIATES

CG T-2 advised in March, 1967, that during the early 1950's and perhaps before, LESLIE KRUSE had been one of the partners in the Harlem-Franklin Building Corporation which owned the building located at 306 Harlem in Forest Park, Illinois. During

those years, a bookmaking operation existed on the premises of this building with LESLIE KRUSE and ALBERT ROTT as the operators. According to this source, ROTT bought KRUSE out of his partnership and for at least ten years or more has been the sole owner of this establishment and at no time since KRUSE was bought out has there been any gambling activity on the premises. Approximately two years ago this source stated that the Harlem-Franklin Building Corporation was dissolved.

CG T-3 advised in March, 1963, that LESLIE KRUSE and RALPH PIERCE had lunch in the basement restaurant of the Pittsfield Building. During the course of the lunch PIERCE became very ill and was taken from this establishment to the Michael Reese Hospital where he remained for approximately one week.

CG T-4 advised in March, 1967, that LESLIE KRUSE, GUS ALEX and RALPH PIERCE had lunch at the Blackhawk Restaurant in Chicago and that these persons departed the Blackhawk Restaurant at 12:59 p.m. on March 20, 1967. LESLIE KRUSE and RALPH PIERCE went directly to the Pittsfield Building restaurant.

On March 23, 1967, CG T-4 observed RALPH PIERCE and GUS ALEX enter Stouffers Restaurant at 11:41 a.m. where they apparently met with GUS ALEX. At 12:32 p.m. PIERCE, KRUSE and ALEX left Stouffers with PIERCE and KRUSE continuing to the Pittsfield Building.

CG T-4 advised that he had observed RALPH PIERCE and LESLIE KRUSE at 11:25 a.m. on that date as they entered the Pittsfield Building where they continued on to the restaurant in that building. These persons departed separately at about 1 p.m.

CG T-4 advised that he had observed LESLIE KRUSE at 11:40 a.m., March 27, 1967, as he was walking on Randolph Street. He was alone and proceeding in the direction of the Pittsfield Building.

CG T-1 commented on March 31, 1967, that one [redacted] an individual reported to be close to LESLIE KRUSE, was apparently on "juice" to [redacted] a close associate of members of the Chicago criminal organization. According to this source, he learned that [redacted] had apparently been paying this "juice" loan for some time and had finally discussed the matter with LESLIE KRUSE. The source stated that KRUSE reportedly told [redacted] that he should not pay any more money to [redacted] indicating that if [redacted] had any difficulty he, KRUSE, would handle the matter for him. It was the opinion of CG T-1 that LESLIE KRUSE was sufficiently influential in the organized criminal element and in his relationship with GUS ALEX to offset any action which [redacted] might entertain.

CG T-1 commented in April, 1967, that LESLIE KRUSE has been a close friend and associate of ANTHONY JOSEPH ACCARDO for many years, and that KRUSE derives his "clout" from this relationship.

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CG T-5 advised in April, 1967, that approximately 10:10 p.m. on April 15, 1967, he had observed [redacted] in conference with an unknown male at Howard Johnson's Restaurant in Highland Park, Illinois. This source had observed an exchange of a package between these two persons, but did not know who had initiated the exchange nor was he aware of the contents of the package. At approximately 10:20 p.m. the unknown male departed in a late model Pontiac or Oldsmobile, bearing 1967 Illinois license GE 7364.

According to this source, [redacted] was in charge of gambling operations in the Lake County, Illinois, area on behalf of LESLIE KRUSE.

A search of the 1967 Illinois Motor Vehicle Registration records indicated that 1967 Illinois license GE 7364 is registered to LESLIE E. KRUSE, 5206 Oakton, Skokie, Illinois, on a 1967 four-door Pontiac. It should be noted that KRUSE did reside at the aforementioned address until December, 1966, when he moved to his current address which is across the alley from 5206 Oakton. KRUSE continues as the property owner of the residence at 5206 Oakton.

CG T-1 advised on April 25, 1967, that LESLIE KRUSE had visited with [redacted] in Waukegan, Illinois, during the early part of April. KRUSE indicated that he had given [redacted] a wedding gift for delivery to the son of [redacted] who was being married during the month of April. KRUSE explained that there has been so much Federal heat in the Waukegan area that he did not dare make personal contact in that area and was forced to meet [redacted] away from Waukegan.

It is noted that during May, 1967, a number of Chicago hoodlums were on trial in the United States District Court in Chicago in connection with a theft from interstate shipment matter. Trial in this matter commenced on May 22, 1967, with one of the subjects being [redacted] also known as [redacted] This subject has been connected with [redacted] and is a well known long-time associate of LESLIE KRUSE.

CG T-4 advised on May 22, 1967, that GUS ALEX, RALPH PIERCE, and LESLIE KRUSE have been assigned to the duties to plot strategy and obtain "fixes" in all cases involving members of organized crime. According to this informant, these persons have been in contact with [redacted] a prominent defense attorney, concerning the strategy in connection with matters which he is handling. On May 22, 1967, GUS ALEX, RALPH PIERCE, and LESLIE KRUSE met together at the Gay 90's Room of the LaSalle Hotel.

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It should be noted that CG T-1 commented on June 12, 1967, that LESLIE KRUSE had indicated a complete disinterest in the plight of [redacted] and was apparently going to do nothing for [redacted] in connection with this matter.

CG T-4 advised on June 21, 1967, that he had observed the following persons together during May and June, 1967:

May 22, 1967	GUS ALEX RALPH PIERCE LESLIE KRUSE In Gay 90's Room, LaSalle Hotel

CG 92-1037

May 24, 1967	GUS ALEX RALPH PIERCE LESLIE KRUSE Observed together on Randolph Street PIERCE and KRUSE went west on Randolph Street. ALEX proceeded in a different direction
May 29, 1967	LESLIE KRUSE RALPH PIERCE At lunch in the Pittsfield Building Restaurant
June 1, 1967	LESLIE KRUSE Alone at Pittsfield Building restaurant
June 7, 1967	RALPH PIERCE GUS ALEX LESLIE KRUSE Observed at lunch in Stouffers Restaurant. PIERCE and KRUSE departed together, leaving ALEX alone.
June 19, 1967	GUS ALEX LESLIE KRUSE RALPH PIERCE Emerged from Gibbys together PIERCE and ALEX departed together, KRUSE went in opposite direction

CG T-4 advised he had made the following observations from a period of June 22, through August 18, 1967:

June 26, 1967	RALPH PIERCE LESLIE KRUSE Had lunch together at the Blackhawk Restaurant where they were joined by GUS ALEX

CG 92-1087

June 28, 1967	RALPH PIERCE GUS ALEX LESLIE KRUSE Observed emerging from the Wabash Inn together and entered Pittsfield Building
July 4, 1967	LESLIE KRUSE joined GUS ALEX and RALPH PIERCE at the Blackhawk Restaurant ALEX and KRUSE departed together
July 24, 1967	RALPH PIERCE and LESLIE KRUSE observed at lunch in the Pittsfield Building
July 31, 1967	RALPH PIERCE LESLIE KRUSE Observed at lunch in Stouffers Restaurant

CG T-1 advised on September 1, 1967, that LESLIE KRUSE was quite upset concerning the article recently appearing in Life magazine concerning organized crime written by [redacted] According to this source, KRUSE commented that the Chicago people had been successful in controlling some of the information which [redacted] had from reaching the public through their control and influence with Chicago newspapers. It was stated that there is now a feeling that a monster has been created in the form of [redacted] since his audience is now national in scope and not strictly Chicago as before. There was a concern expressed that [redacted] had divulged information concerning the relationship of SIDNEY and MARSHALL KORSHAK with Mayor RICHARD DALEY and this disclosure may well rupture many relationships in the city of Chicago.

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b7C

It is noted that [redacted] before joining Life Magazine, was a well known and highly effective crime reporter for several local Chicago newspapers. b6 b7C

III. TRAVEL

CG T-1 advised in March, 1967, that LESLIE KRUSE and possibly RALPH PIERCE were contemplating travel to Hot Springs, Arkansas, within the very near future. On March 14, 1967, CG T-1 advised that KRUSE was at that time in Hot Springs at the Arlington Hotel.

CG T-1 and CG T-4 both advised on March 16, 1967, that LESLIE KRUSE had returned to the Chicago area on that date or during the evening of March 15, 1967.

It should be noted that CG T-1 advised on July 31, 1967, that LESLIE KRUSE might possibly return to the Hot Springs, Arkansas, area within the near future.

On August 22, 1967, the Little Rock Division advised there had been no record at the Magestic Hotel indicating that KRUSE had been a visitor during either June or July, 1967.

CG T-6 advised in April, 1967, that he had observed LESLIE KRUSE in Las Vegas, Nevada, during the recent past and had seen KRUSE in touch with an individual he believed to be the pit boss of the Stardust Hotel.

Inquiry conducted by the Las Vegas Division had failed to indicate that LESLIE EARL KRUSE was a guest at the Stardust Hotel during April, 1967, and further that law enforcement agencies in Las Vegas had no record or recollection of being aware that KRUSE had visited in Las Vegas within the past several months.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
October 4, 1967

In Reply, Please Refer to File No.
CG 92-1037

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted], dated and captioned as above. b6 b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No. CG 92-1037

Chicago, Illinois
October 4, 1967

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted], dated and captioned as above. b6 b7C

CHARACTERIZATION OF INFORMANTS

CG T-1 is an individual who is knowledgeable concerning Leslie Kruse and members of the organized criminal element in Chicago.

CG T-2 is an individual who has associates with members of the organized criminal element.

CG T-3 is an individual who has daily contact with some elements of organized crime.

CG T-4 is an individual who is knowledgeable concerning some persons in the organized criminal element.

CG T-5 is an individual who is familiar with activities in the Waukegan, Illinois, area.

CG T-6 is an individual who knows some persons connected with the organized criminal element.

FD-36 (Rev. 5-22-64)

FBI

Date: 10/26/67

Transmit the following in PLAINTEXT
(Type in plaintext or code)

Via TELETYPE DEFERRED
(Priority)

TO : DIRECTOR (MAIL) AND SAC, LITTLE ROCK

FROM: SAC, CHICAGO (92-1037)

LESLIE KRUSE, AKA. AR. OO: CHICAGO.

[redacted] IN CHICAGO, ADVISED OCTOBER TWENTY SIX INSTANT, THAT KRUSE HAS BEEN IN HOT SPRINGS, ARKANSAS FOR PAST TWO WEEKS. KRUSE ACCOMPANIED MAURICE NORMAN. IT IS KNOWN THAT NORMAN IS WITH [redacted] AND WILL FLY BACK TO CHICAGO OCTOBER TWENTY NINE NEXT. BELIEVED KRUSE STAYING AT MAJESTIC OR ARLINGTON HOTEL.

LR AT HOT SPRINGS WILL VERIFY PRESENCE OF KRUSE IN HOT SPRINGS AND ATTEMPT TO DEVELOP INFO RE HIS ACTIVITY THERE THROUGH ESTABLISHED SOURCES. [redacted]

[redacted]

[redacted]

b6
b7C
b7D

b6
b7C
b7D

b7D

REC 29

20 OCT 28 1967

1 - [redacted]
1 - [redacted]
1 - TECIP Tickler
1 - C-1 Tickler
WFR:mes
(6)

Approved: _____ Sent 655P M Per _____
Special Agent in Charge

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	4/5/68	10/5/67 - 3/18/68

TITLE OF CASE

LESLIE EARL KRUSE, aka

REPORT MADE BY: SA [redacted] TYPED BY: kmgb6 b7C

CHARACTER OF CASE

AR

REFERENCES: Report of SA [redacted] dated 10/4/67 at Chicago.
Chicago teletype to Director and Little Rock dated 10/26/67.(IO)
Little Rock airtel to Chicago dated 11/17/67.(IO)
Springfield letter to Chicago dated 11/28/67.(IO)
Chicago letter to Springfield dated 11/30/67.(IO)
Little Rock letter to Chicago dated 1/22/68.(IO)
Springfield letter to Chicago dated 1/24/68.(IO)
Chicago airtel to Springfield dated 1/31/68.(IO)
Chicago airtel to Little Rock dated 3/20/68.(IO)

- P -

ACCOMPLISHMENTS CLAIMED None						ACQUITTALS
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

3 - Bureau (92-5505)
1 - USA, Chicago
2 - Chicago (92-1037)

APR 15 1968

Dissemination Record of Attached Report

Agency
Request Recd.
Date Fwd.
How Fwd. 1 CC. AAG, Criminal Division, Organized Crime and Racketeering Section, Room 2524.
By

Notations

CG 92-1037

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to closely follow the activities and contacts made by the subject and attempt to develop an Anti-Racketeering violation or any violation within the purview of the federal statutes.

ADMINISTRATIVE

Although the period between reports in this matter has been extensive, it has received constant and continuing attention and has been maintained in a current status within the Chicago Office.

INFORMANTS

Source	Date of Contact	Contacting Agent
CG T-1 is [redacted]	9/13, 11/3, 11/15/67, 2/20, and 3/18/68	SA WILLIAM F. ROEMER, JR.
CG T-2 is [redacted]	10/26/67	SA WILLIAM F. ROEMER, JR.
CG T-3 is [redacted]	10/18/67	SA WILLIAM F. ROEMER, JR.
CG T-4 is [redacted]		
CG T-5 is [redacted]	10/12, 10/26, 12/20/67, and 1/5/68	SA [redacted]

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FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted] Office: Chicago
Date: 4/5/68

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

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Character: ANTI-RACKETEERING

Synopsis: KRUSE continues association and almost daily contacts with GUS ALEX and RALPH PIERCE. KRUSE traveled to Hot Springs, Arkansas, accompanied by Mr. and Mrs. MAURICE NORMAN, Operator of restaurant in the Pittsfield Building, 55 East Washington, Chicago. Annual report of Nu Way Food Service Equipment, Inc. from which subject reportedly receives his legitimate income reveals the directors of the corporation as HENRY and MARY ORTH, GEORGE KOTTY and LOUIS CASTELLI.

- P -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CG 92-1037

DETAILS:

FINANCIAL

It has previously been reported that the subject derives his legitimate type income from Nu Way Food Service Equipment, Inc.

The following investigation was conducted by IC [redacted] at Springfield, Illinois:

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[redacted] Corporation Section, Secretary of State, Springfield, Illinois, advised on January 22, 1968, that the annual report for Nu Way Food Service Equipment, Inc. was filed February 28, 1967. This annual report reflects this corporation's agent as HENRY ORTH. It reflects its office as 655 North Kedzie Avenue, Chicago, Illinois. Its officers and directors are as follows:

HENRY ORTH, President and Director;
MARY ORTH, Secretary and Director;
GEORGE KOTTY, Treasurer;
LOUIS CASTELLI, Director

He further stated that this corporation is authorized to issue and issued 300 shares of common stock with a par value of $100 as of the preceding December 31, and their stated capitol is $30,000 with no paid in surplus.

He also advised that the annual report for the Nu Way Contracting Corporation was filed June 1, 1967, which reflects that this corporation's registered agent in HENRY ORTH, and their registered office is 655 North Kedzie Avenue, Chicago, Illinois, and that their officers and directors are the same as above.

He further stated that this corporation is authorized to issue 200 shares of common stock with no par value as of the preceding December 31, and that they issued 100 shares of common stock with no par value as of the preceding December 31, and their stated capitol is $10,000 with no paid in surplus.

ACTIVITIES AND ASSOCIATES

On October 5, 1967, CG T-1 advised he observed the following as indicated:

CG 92-1037

September 13, 1967

10:35 AM - RALPH PIERCE arrived at usual parking lot as a passenger in a Buick bearing license plates: Ill. 1967 532 226. The operator of this car was identified as CHARLES "SPECS" DI CARO.

10:45 AM - DI CARO and PIERCE proceeded to Austin's Liquor Store, remaining inside for approximately five minutes.

10:50 AM - DI CARO and PIERCE left liquor store and proceeded to Palmer House Drug Store. DI CARO delivered a package into Drug Store (This package was picked up at Austin's).

11:00 AM - DI CARO and PIERCE proceeded to Pittsfield Building. Restaurant.

11:25 AM - DI CARO and PIERCE were joined by LES KRUSE and the three were observed having lunch in Pittsfield Building Restaurant.

September 18, 1967

11:40 AM - GUS ALEX, RALPH PIERCE and LES KRUSE were observed having lunch at Stouffer's Restaurant on Wabash and Randolph.

11:55 AM - These three left restaurant and proceeded south on the west side of Wabash. KRUSE and ALEX entered Marshall Fields and PIERCE continued south on Wabash toward Washington. Contact was lost with all three at this time.

1:40 PM - PIERCE was observed in his usual barber chair in Palmer House Barber Shop.

September 21, 1967

11:35 AM - RALPH PIERCE and LES KRUSE were observed having lunch in the Pittsfield Building Restaurant. It should be noted that GUS ALEX was not seen on this date.

11:50 AM - LES KRUSE and RALPH PIERCE were observed having lunch in Pittsfield Building Restaurant. It should be noted also on this date as well as previous luncheon (September 21, 1967) when observation was made that ALEX was not seen.

On October 18, 1967, CG T-3 advised that RALPH PIERCE continues to make it a purpose to visit the basement restaurant located in the Pittsfield Building, 55 East Washington, Chicago, approximately two or three times per week. The source stated that it is the purpose of PIERCE to come to the restaurant shortly after 11:00 AM whenever he is in town, and always on Mondays. He advised that PIERCE then leaves the restaurant after having coffee and returns around 12:30 PM at which time it is obvious that he has had lunch elsewhere. The source advised that he knows that these luncheons usually include GUS ALEX and LESLIE KRUSE. He advised that many times PIERCE returns to Pittsfield Building Restaurant and is accompanied by KRUSE but never by ALEX. He does not frequent the restaurant. He advised that PIERCE and KRUSE then generally have a dessert in the restaurant and remain there until approximately 2:00 PM when they ordinarily leave.

On November 15, 1967, CG T-1 advised he observed the following as indicated:

Friday, November 3, 1967

12:45 PM	KRUSE, PIERCE and ALEX were observed at corner of Adams and Wabash. Speculation is that these three had lunch in the Wabash Inn.
1:00 PM	PIERCE and KRUSE went north on Wabash Avenue. ALEX loitered in vicinity of Adams and Wabash.
1:15 PM	ALEX entered car bearing Illinois License Number [redacted] (black Pontiac Bonneville). Driver of this vehicle assumed to be [redacted] ALEX took the wheel of this car and proceeded south on Wabash from Adams. [redacted] moved into right front passenger seat and rode with ALEX.

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Wednesday, November 15, 1967

10:45 AM	PIERCE arrived in Cadillac at usual parking lot.

10:50 to 11:20 AM — PIERCE proceeded to Gay 90's Tap via a circuitous route, stopping at Austin Liquors and Carsons.

11:45 AM — ALEX, PIERCE and KRUSE were observed eating lunch in Gay 90's Tap.

On January 10, 1968, CG T-1 advised that he observed RALPH PIERCE and LES KRUSE in Chicago meet with [redacted] b6 b7C [redacted] Chicago hoodlum attorney, and an unknown person he subsequently identified as FRANK LA PORTE, a leader of organized crime in southern Cook County area. The informant advised that this meeting took place in the private office of Turner-Fagman's Custom Clothing Store in the Sherman House Hotel in Chicago. On January 16, 1968, CG T-2 advised that RALPH PIERCE, LES KRUSE and [redacted] had met with FRANK LA PORTE on January 10, 1968, and discussed some of FRANK LA PORTE's legal problems with [redacted]

On November 29, 1967, through January 10, 1968, CG T-1 advised he observed the following as indicated:

November 29, 1967 - Wednesday

11:10 AM — RALPH PIERCE arrived in usual parking lot in Cadillac. PIERCE boarded a bus and proceeded north on Wabash Avenue from Van Buren Street.

11:35 AM — LES KRUSE was seen entering the Blackhawk Restaurant via Randolph Street.

12:10 PM — PIERCE and KRUSE were seen leaving this restaurant via Wabash Street. They proceeded to Pittsfield Building.

It should be noted that despite the fact that GUS ALEX was not seen on this day, that it is reasonably certain, based on past observations, that ALEX was present at this luncheon but escaped observation.

December 8, 1967 - Friday

11:28 AM — RALPH PIERCE was seen in lobby of Pittsfield Building. He had just emerged from Pittsfield Building Restaurant area.

11:32 AM — PIERCE was joined by LES KRUSE in lobby of Pittsfield Building. They proceeded via Garland Court to Blackhawk Restaurant, entering via Randolph Street.

11:55 AM — GUS ALEX was seen entering Blackhawk Restaurant via Randolph Street.

12:35 PM — None of these three were seen, as of this time, leaving restaurant.

December 11, 1967 - Monday

10:55 AM — PIERCE arrived at usual parking lot in Cadillac.

11:05 AM — PIERCE entered Wabash Inn and emerged in two minutes in the company of LES KRUSE.

11:15 AM — PIERCE and KRUSE proceeded to Rice's Tap (14 West Washington).

11:20 AM — PIERCE and KRUSE were joined in front of Rice's Tap by GUS ALEX and [redacted] PIERCE, KRUSE and ALEX entered Rice's Tap, but were not joined by [redacted] b6 b7C

11:35 AM — The above named three were observed having lunch in this establishment.

11:45 AM — KRUSE, PIERCE, and ALEX left restaurant. ALEX was last seen at Clark and Madison at 11:55 AM.

December 18, 1967 - Monday

11:15 AM — LES KRUSE was seen entering Pittsfield Building.

11:25 AM — KRUSE and PIERCE were seen leaving Pittsfield Building. They proceeded to Stouffer's Restaurant at Randolph and Wabash via Garland Court.

11:40 AM — ALEX, PIERCE and KRUSE were observed eating at a corner table in the men's grill of this restaurant.

December 21, 1967 - Thursday

11:00 AM — PIERCE arrived in usual parking lot. He was driven from lot by "SPECS" DI CARO (previous report should substantiate car - Buick, Illinois 1967 532 226). The visual observation of this car was lost as it proceeded north on Wabash at Adams.

11:35 AM — LES KRUSE and PIERCE were observed eating in Pittsfield Building Restaurant. MOREY NORMAN was sitting at table with them but was not dining.

December 28, 1967 - Thursday

11:10 AM — PIERCE arrived in Cadillac. He met DI CARO in office of parking lot and they both proceeded on foot to Pittsfield Building.

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11:35 AM — [redacted] was observed entering Pittsfield Building Restaurant via lobby.

11:40 AM — LES KRUSE and [redacted] were observed eating in restaurant.

It is important to note that even though PIERCE was not seen dining with KRUSE and [redacted] that he was very probably engaged in conversation with [redacted] in NORMAN's office. Speculation is that DI CARO left restaurant before lunch and that PIERCE was called away from lunch to confer with [redacted]

January 2, 1968 - Tuesday

New plates on Plymouth Barracuda read [redacted] Illinois 1968.

[redacted] New plates on 1968 plates on Cadillac read Illinois 1968.

Both these vehicles are the same as the ones used in 1967. As you may recall, the Plymouth is registered to [redacted]

January 4, 1968, Thursday

11:35 AM — RALPH PIERCE and LES KRUSE were observed in Pittsfield Building Restaurant having lunch with two unidentified males. One male approximately [redacted] years old, [redacted] and noticeably [redacted] unable to obtain sufficient view of second person.

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January 8, 1968, Monday

11:20 AM — RALPH PIERCE arrived at parking lot and proceeded directly to Sargent's Drugstore, which is just adjacent to Pittsfield Building.

11:35 AM — PIERCE entered Pittsfield Building Restaurant.

11:45 AM — Checked interior of restaurant and did not see PIERCE; however, it is reasonably certain that he did not leave restaurant; speculation is that he was in M. NORMAN's office. KRUSE was not seen at this time.

1:40 PM — PIERCE observed again in usual chair at Palmer House Barber Shop.

2:50 PM — PIERCE left barber shop and entered Palmer House Drugstore. Unable to observe him leaving drugstore, checked interior thereof and he was gone.

January 9, 1968 - Tuesday

10:35 AM — [redacted] was observed in lobby of Exchange National Bank Building. He was engaged in conversation with [redacted] Speculation is that this was more than a customer - seller conversation.

It is not known at this time if [redacted] transacted business in the bank proper. However, both the bank and cigar stand will be given future attention.

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January 10, 1968 - Wednesday

12:00 noon — RALPH PIERCE, LES KRUSE, [redacted] and two persons unknown observed in Turner-Fagman Custom Clothing Store, lobby of Sherman House Hotel. All talked there for some time and then lunched in Celtic Cafe of Sherman House.

One of the unknown persons believed to be FRANK LA PORTE. He was in 60's, 5'7", 180 pounds, bald, fat, wore sun glasses part of time.

12:55 PM — The man presumed to be LA PORTE and the unidentified man picked up a package from a clerk in the store and both left via lobby to Sherman House garage on La Salle Street, where man believed to be LA PORTE paid the parking check, but unidentified man drove car from lot with LA PORTE in front passenger seat. Car proceeded south on La Salle Street. This vehicle

was an Oldsmobile (Belmonte or Delmonte), bearing Illinois dealer's plates [redacted]. Unable to determine year of plates as they were covered with mud. There was, however, a bill of lading attached to window of car which appeared to state the factory origin as Kansas City and destination as Chicago Height Olds.

Unsub #2 is described as [redacted]

On January 9, 1968, to February 19, 1968, CG T-1 advised he observed the following:

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January 18, 1968 - Thursday

10:55 AM — RALPH PIERCE arrived at Towne parking lot in Plymouth. He proceeded directly to Austin's Liquors, arriving there at approximately two minutes later. PIERCE then proceeded to Pittsfield Building Restaurant. He was observed there as late as 11:50 AM, seated alone at a table.

12:05 PM — Attorney [redacted] was seen entering basement of Pittsfield Building.

January 22, 1968 - Monday

RALPH PIERCE arrived at Towne parking lot in Plymouth. He went from lot to Goldblatt's Department Store, entering by way of Van Buren Street and exiting by way of Jackson Boulevard

and State. He proceeded via State Street to Wieboldt's Department Store at State and Madison, he entered an elevator in the store and was not seen again that day.

January 29, 1968 - Monday

11:25 AM — LES KRUSE was seen entering Pittsfield Building.

11:40 AM — KRUSE was seen seated in restaurant.

11:50 AM — RALPH PIERCE was observed entering Pittsfield Building Restaurant.

11:55 AM — PIERCE-KRUSE were observed sitting together in restaurant.

January 31, 1968 - Wednesday

10:15 AM — [redacted] was seen entering Austin Liquors.

10:40 AM — [redacted] arrived on foot at Towne parking lot.

10:45 AM — RALPH PIERCE arrived at lot in Plymouth.

10:50 AM — PIERCE and [redacted] entered B/G Restaurant on Van Burean,,between Wabash and Michigan.

11:10 AM — PIERCE and [redacted] returned to parking lot and drove away in [redacted] car - going south on Wabash to Congress (Eisenhower), thence west.

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11:30 AM — PIERCE and unidentified male were seen in Staley's Restaurant.

12:20 PM — [redacted] left restaurant and picked up his car in parking lot just north of restaurant. He drove north on Wells.

1:00 PM — Visual observation of Staley's Restaurant failed to see PIERCE or anyone else. [redacted] is driving a

Pontiac Executive (blue) with Illinois 1968 license [redacted] and Westchester 1968 vehicle sticker # [redacted]

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February 14, 1968 - Wednesday

Bronze two-tone Cadillac bearing Illinois 1968 license [redacted] observed with PIERCE driving at 11:25 AM.

11:40 AM — PIERCE was observed eating lunch in Pittsfield Building Restaurant.

February 15, 1968 - Thursday

11:05 AM — RALPH PIERCE arrived in Plymouth at Towne parking lot. He was joined by "SPEC" DI CARO who emerged from parking lot office. PIERCE and DI CARO proceeded on foot to Wabash Inn, where PIERCE entered (DI CARO remaining outside).

11:15 AM — PIERCE emerged from Wabash Inn and rejoined DI CARO. They both proceeded to Pittsfield Building.

11: 30 AM — PIERCE and LES KRUSE emerged from Washington Street Exit of Pittsfield Building. They went east on Washington and presumably entered Public Library.

11:35 AM — PIERCE and KRUSE were seen entering the Blackhawk Restaurant via the Randolph Street entrance.

11:40 AM — GUS ALEX entered restaurant via Wabash Avenue.

Noon	ALEX, PIERCE, KRUSE were observed eating on the first floor of the restaurant.
12:25 PM	These three left the restaurant and split up. PIERCE and ALEX proceeded to corner of Madison and Wabash (southwest corner).
12:40 PM	KRUSE rejoined PIERCE and ALEX at this corner and the three proceeded west on Madison to southeast corner of State and Madison (front of Carson's). ALEX made a phone call at an outdoor phone booth. ALEX talked for a minute, then handed the phone to PIERCE who talked to presumably the same party for a minute. KRUSE then made a separate short call. This trio then proceeded to the southwest corner of State and Madison where ALEX made another call at an outdoor phone booth, ALEX was the only one who talked this time. Trio continued west on Madison to Rose's Discount Store (south side of Madison between La Salle and Wells).
1:00 PM	PIERCE emerged along from store and went east on Madison.
1:10 PM	KRUSE and ALEX emerged from store (ALEX was carrying a carton which could have been a portable radio - sign on box read panasonic or pansony). KRUSE and ALEX went north on La Salle Street, where they were rejoined by PIERCE at northwest corner of Washington and La Salle. The trio split up again with no delay, PIERCE and KRUSE going back south on La Salle and ALEX going north
App. 1:15 PM	on La Salle to the 188 West Randolph Street Building. ALEX entered bank of elevators marked 1 to 21. (It should be noted that the Bieber Office is 707 and

Brodkin Office is 1203 which would be one of the stops on this elevator, whereas Postl's Health Club is on the 27th Floor, not in this elevator bank. Speculation is that ALEX stopped on the 7th Floor first, then going to 27th later).

It should be noted that ALEX exchanged greetings with the doorman of the La Salle Hotel on the La Salle Street side as he was walking north on La Salle with KRUSE. [redacted] b6 b7C is called [redacted] by those who appear to know him.

February 16, 1968 - Friday

1:15 PM — ALEX entered 188 West Randolph wearing green tyrobean hat and entered elevator bank marked 22-45 floors.

On February 20 to March 18, 1968, CG T-1 advised he made the following observations as indicated:

Monday, February 19, 1968

10:30 AM — RALPH PIERCE arrived at Towne parking lot in Cadillac. He joined "SPECS" DI CARO in parking lot office.

10:40 AM — PIERCE and DI CARO left parking lot in DI CARO's car (new license is Illinois 1968 AY4277). Car proceeded north on Wabash.

11:00 AM	LES KRUSE was seen entering Marshall Fields at northwest corner of Washington and Wabash. He cut directly through this store, emerging at State and Washington, thence to Ace Coin and Stamp Shop [redacted] at Dearborn and Washington. b6 b7C
11:15 AM	KRUSE left stamp shop and entered subway on Dearborn between Washington and Randolph. (It should be noted that this subway entrance is also an arcade which leads either east or west).
11:25 AM	PIERCE was seen leaving Pittsfield Building. He proceeded to Stouffer's Restaurant at Wabash and Randolph. (It should be noted that PIERCE was extremely cautious).
11:40 AM	PIERCE and KRUSE were observed eating in Stouffer's.
11:45 AM	GUS ALEX entered Stouffer's via Wabash Avenue.
12:20 PM	PIERCE, KRUSE, ALEX left this restaurant via Wabash Avenue. All three, it should be noted, were extremely cautious.

Thursday, March 7, 1968

11:15 AM	RALPH PIERCE arrived at Towne parking lot in Plymouth. He proceeded north on the west side of Wabash Avenue, stopping for a minute or two in the Wabash Inn.
11:25 AM	PIERCE entered Pittsfield Building Restaurant, he remained there and was seen sitting alone at approximately 11:55 AM.

Monday, February 26, 1968

9:45 AM — LES KRUSE was seen entering the Ace Stamp Shop ([redacted]) at 107 North Dearborn. He remained inside shop until approximately 10:25 AM. Upon emerging from shop, KRUSE entered subway arcade of Civic Center and was not seen again. ALEX and PIERCE were not seen this day.

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Thursday, February 29, 1968

11:20 AM — RALPH PIERCE entered the Pittsfield Building.

11:55 AM — PIERCE was seen seated with [redacted] preparing to have lunch. KRUSE was not seen as of this time.

Monday, March 4, 1968

10:50 AM — RALPH PIERCE arrived at Towne parking lot in Cadillac. He proceeded directly to Pittsfield Building, arriving there at 11:05 AM.

11:25 AM — PIERCE left the Pittsfield Building via Washington Street exit and went north on Garland Court; emerging from Garland Court at Randolph Street. PIERCE then continued north to Lake Street, this time using the alley situated between Michigan and Wabash Avenues. Upon reaching Lake Street, PIERCE entered the Zenith Display Salon located at northwest corner of Lake and Michigan. (It should be noted that this salon has an entrance on Lake as well as Michigan). PIERCE spent several minutes browsing and pricing portable television sets.

11:42 AM — PIERCE left Display Salon via Lake Street and went directly to Hoe Kow Restaurant at 73 East Lake Street.

1:00 PM — PIERCE was not seen leaving restaurant by this time - a check of the interior was negative.

Even though KRUSE and ALEX were not observed this day, speculation is that there was a meeting based on PIERCE's extremely cautious behavior. It should be further noted that a rear exit exists from this restaurant via the kitchen and out to the alley.

TRAVEL

On October 26, 1967, CG T-2 advised that LES KRUSE has been in Hot Springs, Arkansas, for the past two weeks. He advised that KRUSE was accompanied by Mr. and Mrs. MAURICE NORMAN and they are expected to return to Chicago on October 29, 1967. He advised he believes that LES KRUSE was staying at the Majestic or Arlington Hotel in Little Rock. The source identified MAURICE NORMAN as a wealthy Chicago restaurateur and drugstore owner.

On October 21, 1967, CG T-5 advised that he had not seen LES KRUSE within the recent past and understood that he had traveled to Hot Springs, Arkansas, possibly over the past weekend.

On October 26, 1967, CG T-5 advised that KRUSE had in fact traveled to Arkansas with MAURICE NORMAN, Owner of the Pittsfield Building, who also owns a concession at O'Hare Airport.

On November 17, 1967, CG T-4 advised that LES KRUSE registered at the Arlington Hotel, Hot Springs, Arkansas, on October 17, 1967, and he was accompanied by Mr. and Mrs. MAURICE NORMAN from Chicago. He advised that the subject and the NORMANs departed the Arlington Hotel on the weekend of October 28, 1967, indicating that they were returning to their homes. He advised that LES KRUSE, while in Hot Springs, took thermal baths daily and reportedly played some golf. The informant advised that to his knowledge LES KRUSE did not associate with other individuals at the hotel except the NORMANs.

On January 22, 1968, the Little Rock Office advised that CG T-4 advised that the records of the Arlington Hotel, Hot Springs, Arkansas, failed to reflect any long distance calls being made from the room occupied by LES KRUSE during his stay at the hotel during October, 1967. The source advised that he had developed no pertinent information concerning the subject.

MISCELLANEOUS

The following investigation was conducted by IC [redacted]: b6 b7C

[redacted] Section, Secretary of State, Springfield, Illinois, advised on November 20, 1967, that driver's license number K620-5253-0332 was issued November 7, 1966, to LESLIE E. KRUSE, RR #1, Orangeville, Illinois. This license expires November 22, 1969, and describes him as 6', 210 pounds, date of birth November 22, 1930, brown hair and blue eyes.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois
April 5, 1968

In Reply, Please Refer to
File No. 92-1037

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference Report of Special Agent [redacted] dated and captioned as above. b6 b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

VIA TELETYPE
APR 17 1968
ENCIPHERED

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

WA -1- 3:17 PM EH

D E F E R R E D 4-17-68 EH

TO DIRECTOR (91-18345) (92-10574) (92-5800) (CODE)

FROM CHICAGO (91-3396) (92-2557) (92-745) /2P/

GUY MENDOLA, JR. (DECEASED); ET AL; FRANKLIN PARK BANK, Bank Robbery Office of Origin
FRANKLIN PARK, ILL., SEPT TWO THREE SIXTY THREE; ~~BR~~. ~~00~~ CHICAGO.

FRANK DE LEGGE, SR; ET AL; [redacted]-VICTIM; ~~AR~~ - Anti-Racketeering
Office of Origin
HOBBS ACT-CONSPIRACY. ~~00~~ CHICAGO

Office of Origin
Anti-Racketeering
WILLIAM DADDANO, AKA; ~~AR~~. ~~00~~ CHICAGO.

AS BUREAU AWARE, GEORGE ~~BEIBER~~ BIEBER, CHICAGO HOODLUM ATTORNEY,
ASST U.S. ATTORNEY
INTERVIEWED BY AUSA [redacted], CHICAGO DURING ~~DEC~~ DECEMBER
BANK ROBBERY THEFT FROM INTERSTATE SHIPMENT
LAST IN CAPTIONED ~~BR~~ AND RELATED ~~TFIS~~ MATTERS CONCERNING
C
ALLEGATIONS OF [redacted]

[redacted]

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FOLLOWING

[redacted]

AND SUBSEQUENTLY WENT TO CHICAGO

END PAGE ONE

(Information Note)

[redacted]

11 APR 25 1968

92-5800-

NOT RECORDED
128 APR 26 1968

ENCLOSURE

66 APR 2[illegible] 1968

ORIGINAL FILED IN

HOODLUMS FELIX ALDERISIO AND GUS ALEX AND TOLD THEM OF HIS PLIGHT.

GEORGE BIEBER NOW LISTED AS ~~SUBJ~~ SUBJECT IN REFERENCED HOBBS ACT MATTER. BIEBER WAS REPORTEDLY RECIPIENT OF JEWELRY TAKEN IN NOV SIXTY FOUR ROBBERY AND UTILIZED IN PAST BY THIS HOODLUM ELEMENT AS "FIXER" IN COURT CASES. [redacted] ADVISED APRIL SIXTEEN LAST DURING RECENT CONVERSATION WITH BIEBER ABOUT USA'S EFFORTS TO INDICT BIEBER, BIEBER STATED HIS [redacted] ABOVE ~~INFO~~ INFORMATION TO BE FURNISHED PERSONALLY BY SAC SPECIAL AGENT IN CHARGE ON APRIL ONE EIGHT NEXT TO CHIEF JUDGE WILLIAM B. CAMPBELL ON HIGHLY CONFIDENTIAL BASIS ~~UACB~~ Unless Advised to Contrary by Bureau.

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Declassified
Authority NND 968
4/18/68
RR

THIS SITUATION WILL BE CLOSELY FOLLOWED AND BUREAU WILL BE KEPT ADVISED.

~~END~~ ~~END~~ BFQ

FJB

FBI WASH DC

April 18, 1968

GENERAL INVESTIGATIVE DIVISION

The Federal Grand Jury at Chicago has indicted a total of 24 individuals for robbery of a Franklin Park, Illinois, bank in 1963 and several Theft from Interstate Shipment cases. [redacted] furnished extensive information concerning these cases and also [redacted] Bieber is a subject of our investigation concerning jewelry stolen from a Crystal Lake, Illinois, jewelry salesman in 1964, and he may be indicted in one or more of the above-mentioned cases. A Chicago informant has advised Bieber indicated [redacted] If approved, SAC Chicago will contact the Chief Judge and advise him of this information on a confidential basis.

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JGK:hw.

ENCLOSURE

12-5800-

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	6/20/68	3/19/68 - 6/17/68

TITLE OF CASE: LESLIE EARL KRUSE, aka

REPORT MADE BY: WILLIAM F. ROEMER | TYPED BY: gas

CHARACTER OF CASE: AR

REFERENCE: Report of SA [redacted] dated 4/5/68 at Chicago. b6 b7C

-p-

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

Source	Date of Contact	Contacting Agent
CG T-1 [redacted]	June 17, 1968	SA WILLIAM F. ROEMER

b7D

ACCOMPLISHMENTS CLAIMED: None

CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	ACQUITTALS

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED | SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-280 REC-72

4 JUL 27 1968

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2 - Chicago (92-1037)

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	
How Fwd.	Organized Crime and Racketeering
By	Section, Room 2529, 1 CC Att

Notations: NRE STAT SECT

JUL 23 1968

★ U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

CG 92-1037

Source	Date of Contact	Contacting Agent
CG T-2 [redacted]	May 1, 1968	SA WILLIAM F. ROEMER
CG T-3 [redacted]	On numerous occasions	"

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-B*-

COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA WILLIAM F. ROEMER Office: Chicago
Date: June 20, 1968

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues to reside at 5206 Oakton Street, Skokie, Illinois. His family currently consists of wife, ELSIE, [redacted] currently studying law at DePaul University, [redacted] graduated in June, 1968, from the Culver Military Academy in Indiana and [redacted] of Iowa State University. KRUSE's two closest current associates are GUS ALEX and RALPH PIERCE, leaders of organized crime in Chicago. KRUSE regularly meets with ALEX and PIERCE during weekday luncheon meetings at various public restaurants in Loop area of Chicago. 6 of these meeting places identified herein. KRUSE travelled to Hot Springs, Arkansas, alone during April, 1968, where he stayed at Arlington Hotel. KRUSE currently driving 1968 Pontiac with 1968 Illinois license GD 8537.

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

DETAILS: AT CHICAGO, ILLINOIS

I. BACKGROUND

Residence

CG T-1 advised that KRUSE continues to maintain his residence at 5206 Oakton Street, Skokie, Illinois.

This informant advised that KRUSE resides there with his wife ELSIE.

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CG T-2 advised that the family of KRUSE consists of his wife ELSIE, [redacted] CG T-2 identified [redacted] as being named [redacted] and stated that he is currently a law student DePaul University in Chicago. The [redacted] graduated in June, 1968, from the Culver Military Academy in Culver, Indiana, and will be attending college commencing in the fall. [redacted] is a graduate of Iowa State University and is married.

II. CURRENT ASSOCIATES OF LESLIE KRUSE

GUS ALEX

CG T-3 advised that for the past several years it has been the custom of LESLIE KRUSE to meet with his two closest associates in the leadership of organized crime, GUS ALEX and RALPH PIERCE, on an almost daily basis during the weekdays and during the noon luncheon periods. He advised that these meetings generally take place in public restaurants located in the Loop area of Chicago.

CG T-3 advised that this custom of KRUSE in meeting with ALEX continues as of the middle of June, 1968.

RALPH PIERCE

As is reported above, CG T-3 has identified RALPH PIERCE as being one of the closest current associates of LESLIE KRUSE. CG T-3 advised that PIERCE is associated with KRUSE in the leadership of organized crime in Chicago and that he currently is meeting with KRUSE three or four weekdays during the noon luncheon hour in public restaurants in Chicago.

The identities of these meeting places are set out below under the caption, "Current meeting places of LESLIE KRUSE."

III. CURRENT MEETING PLACES OF LESLIE KRUSE

Club on 39
United of America Building
1 North Wacker Drive
Chicago, Illinois

CG T-3 advised that LESLIE KRUSE has commenced meeting with his associates in the leadership of organized crime, RALPH PIERCE and GUS ALEX in the Club on 39 located on the 39th floor of the United of America Building, on a basis of approximately once every month or six weeks.

CG T-3 advised that he observed KRUSE meeting with PIERCE and ALEX in the Club on 39 on April 3, 1968, and on May 20, 1968.

Giovennetti's Restaurant
216 North Wabash
Chicago, Illinois

CG T-3 advised that on a very irregular basis LESLIE KRUSE is meeting with his associates in organized crime, GUS ALEX and RALPH PIERCE, at Giovennetti's Restaurant. He advised that the only time he has observed these individuals at Giovennetti's during the past three months was on March 18, 1968, during the noon lunch hour.

Stouffer's Restaurant
Northwest Corner
Randolph and Wabash
Chicago, Illinois

CG T-3 advised that for the past two or three years it has been the practice of KRUSE to meet with his associates,

ALEX and PIERCE, at the Stouffer Restaurant located on the northwest corner of Randolph and Wabash in Chicago. He advised that he observed this trio meeting at Stouffer's Restaurant on May 26, 1968.

Blackhawk Restaurant
Southeast Corner
Randolph and Wabash
Chicago, Illinois

CG T-3 advised that for the past year or so it has been the practice of KRUSE to meet with his associates, ALEX and PIERCE, approximately one day per month at the Blackhawk Restaurant during the noon luncheon hour. CG T-3 advised that he observed KRUSE, ALEX, and PIERCE at the Blackhawk in a private room named the Executive Suite on May 27, 1968.

Sage's Restaurant
1 North LaSalle
Chicago, Illinois

CG T-3 advised that he observed GUS ALEX, LESLIE KRUSE and RALPH PIERCE meeting with each other at 11:35 a.m. at Sage's Restaurant located at 1 North LaSalle, Chicago, Illinois.
The informant advised that this was the first time he has ever observed these individuals meeting at Sage's.

Pittsfield Restaurant
55 East Washington
Chicago, Illinois

CG T-3 advised that it is the practice of KRUSE to meet with his associate RALPH PIERCE frequently during the noon luncheon hours at the Pittsfield Restaurant located in the basement of the Pittsfield Building at 55 East Washington. The informant advised that GUS ALEX never meets with KRUSE and PIERCE at this location but that it is probably the favorite meeting place of KRUSE and PIERCE.

IV. TRAVEL

CG T-2 advised that LESLIE KRUSE travelled by himself from Chicago to Hot Springs, Arkansas, on approximately April 16, 1968. He advised that KRUSE stayed at the Arlington Hotel under his true name while in Hot Springs and that the purpose of his visit there was to take the mineral baths for his health.

CG T-2 advised that KRUSE returned to Chicago on April 26, 1968.

V. MISCELLANEOUS

CG T-3 advised that LESLIE KRUSE is currently utilizing a 1968 Pontiac automobile bearing a decal indicating that it was purchased from the Peter Epsteen Automobile Agency and bearing 1968 Illinois license number GD 8537.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
June 20, 1968

In Reply, Please Refer to
File No. 92-1037

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference is made to report of Special Agent William F. Roemer dated and captioned as above at Chicago.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	8/26/68	6/18 - 8/20/67

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE, aka	SA WILLIAM F. ROEMER, JR.	ear
	CHARACTER OF CASE	
	AR	

REFERENCES: Report of SA WILLIAM F. ROEMER dated 6/20/68 at Chicago.

- P -

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KURSE.

INFORMANTS:

CG T-1 [redacted] 8/20/68 to SA WILLIAM F. ROEMER

CG T-2 [redacted] On numerous occasions during June, July and August to SA WILLIAM F. ROEMER

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ACCOMPLISHMENTS CLAIMED None							
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	ACQUIT-TALS	CASE HAS BEEN:
							PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED _____ SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92 - [redacted] - 281

REC-9

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COPIES MADE:

3 - Bureau (92-5505)
2 - USA, Chicago
(1 - AUSA [redacted]
2 - Chicago (92-1037)

15 AUG 28 1968

FBI - CHICAGO

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2524.
By	

Notations

FBI/DOJ

STAT SECT

SEP 100 9-5-68

★ U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

CG 92-1037

CG T-3 [redacted]

7/3/68 to [redacted]
SA [redacted]

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COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - USA, Chicago
(1 - AUSA [redacted]

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Report of: SA WILLIAM F. ROEMER, JR. Office: Chicago
Date: 8/26/68

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis:

KRUSE continues to maintain residence at 5206 Oakton Street, Skokie, Illinois. His current pattern of daily activity is to meet with his associates and leadership of organized crime, GUS ALEX and RALPH PIERCE, at noon luncheon meetings in public restaurants in loop area of Chicago on 2 or 3 week days per week. Locations these meeting places identified herein. KRUSE currently using 1968 Pontiac with 1968 Illinois license GD 8534. Licenses of other cars used by KRUSE family set out herein. KRUSE most upset with recent publicity re his association with PETER EPSTEEN of Peter Epsteen Pontiac Agency indicating that he and EPSTEEN were close associates and that KRUSE uses agency as meeting place. As a result of publicity this regard, KRUSE was requested by owner of restaurant which he had made prime meeting place not to frequent restaurant in future.

- P -

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DETAILS: AT CHICAGO, ILLINOIS

I. BACKGROUND

Residence

CG T-1 advised that LESLIE KRUSE continues to maintain his residence at 5206 Oakton Street in Skokie, Illinois.

II. CURRENT PATTERN OF DAILY ACTIVITY OF LESLIE KRUSE

CG T-2 advised that as of mid-August it is the current pattern of daily activity on the part of LESLIE KRUSE to leave his residence driving his 1968 Pontiac automobile with 1968 Illinois license plates GD 8534 and drive to the loop area in the mid-morning 2 or 3 week days per week. CG T-2 advised that KRUSE parks his automobile in the Garrick Parking Garage, located on Randolph Street across from the Civic Center and next to the Woods Theater. He then walks approximately ½ block to the Ace Coin Shop located on Dearborn Street between Randolph and Washington. CG T-2 advised that he believes that KRUSE must use the Ace Coin Shop as a message drop to send and receive messages from his associates in organized crime. CG T-2 advised that the duration of KRUSE's visits to the Ace Coin Shop usually are approximately 15 minutes.

CG T-2 advised that for the past 2 or 3 years it has been the custom of KRUSE to go from the Ace Coin Shop to the Pittsfield Restaurant located in the basement of the Pittsfield Building at 55 East Washington. The informant advised, however, that during the past 6 weeks or so KRUSE has discontinued this practice except on very rare occasions.

CG T-2 advised that KRUSE now joins his associate in the leadership of organized crime, RALPH PIERCE, at various public restaurants in the Chicago area, rather than at the Pittsfield Building as he did heretofore. Informant advised that PIERCE and KRUSE meet with each other at least 3 times a week and sometimes more often than that. On 2 or 3 of

these occasions they are joined by GUS ALEX another leader of organized crime and a close associate of KRUSE.

CG T-2 advised that the meetings between KRUSE, ALEX and PIERCE take place in several restaurants all located in the loop area of Chicago. For information concerning the location of these restaurants see the information set out herein below under the caption "Current Hangouts and Meeting Places of LESLIE KRUSE."

CG T-2 advised that following his meetings with PIERCE and/or ALEX and sometimes preceeding them, KRUSE goes to the H&H Restaurant located on the east side of LaSalle Street, between Washington and Randolph. CG T-2 advised that these meetings generally take place in mid-afternoon and are between KRUSE and individuals unknown to the informant, but believed by him to be involved in gambling activities in the Chicago area. The informant noted that the H&H Restaurant is a prime meeting place of Chicago area gamblers.

CG T-2 advised that following his visit to the H&H Restaurant, KRUSE generally walks back to the Garrick Garage and drives his car from the loop area in a northerly direction, presumably to his residence in Skokie.

III. CURRENT MEETING PLACES AND HANGOUTS OF LESLIE KRUSE

CG T-2 identified the following public restaurants in the Chicago area as being currently the meeting places of KRUSE with ALEX and PIERCE. The informant noted that these meetings take place 2 and 3 times per week without any particular regular pattern and he advised that he has been unable to ascertain whether there is any particular pattern to the days of the week when these 3 leaders of organized crime meet at any particular restaurant. CG T-2, who is also familiar with the activities of ALEX and KRUSE and is aware of the location of their message drops advised that it appears to him that when each of these leaders of organized crime arrive in the loop area in the late morning hours they go to their respective message drop to ascertain, among other things, whether there is a meeting scheduled for that particular day and if so where the meeting is to take place. As a result of this procedure no particular day is set up for a meeting at any particular restaurant. Therefore

the informant has been unable to ascertain a pattern of specific locations where meetings are to take place insofar as scheduling them on particular days of the week is concerned.

The informant advised that at the present time the favorite meeting spot of the ALEX, PIERCE and KRUSE trio is the Executive Suite, a semi private dining room located on the second floor of the Blackhawk Restaurant on the southeast corner of Randolph and Wabash.

CG T-2 advised that another favorite meeting place of this group is Stouffer's Restaurant located on the northwest corner of Randolph and Wabash.

The informant also advised that a current meeting place, although not used extensively, is the Jolly Chef Restaurant located on the east side of Wabash between Washington and Madison Streets.

The informant advised that another location used by the KRUSE, ALEX and PIERCE group is Trader Vic's Restaurant located in the Palmer House Hotel in the loop area.

The informant advised that another restaurant currently utilized by this group is the Wabash Inn located on the west side of Wabash, between Van Buren and Jackson Streets. Informant advised, however, that although this restaurant was at one time used on a frequent basis by the group they do not use it with the same frequency as heretofore at this time.

Informant advised that another favorite meeting place of this group is the Club on 39, a restaurant located on the 39th floor of the United of Insurance Building located at State and Wacker Drive on the far north fringe of the loop.

IV. MISCELLANEOUS

CG T-3 advised that he was in contact with LESLIE KRUSE during early July, 1968. This informant advised that during this contact KRUSE specifically referred to the then recently published Chicago Crime Commission Report which spot lighted business establishments which are hoodlum dominated or connected. KRUSE launched into a tirade against the Chicago Crime Commission and law enforcement in general referring particularly to the publicity given by the Chicago Crime Commission in their report to the Pete Epsteen Pontiac Agency which was identified therein as a hangout for KRUSE.

KRUSE also noted that the report spot lighted his association with PETER EPSTEEN, the Owner of the Agency. KRUSE indicated that EPSTEEN was being unjustifiably "crucified" and that this attack upon EPSTEEN was unjustified due to a minimum amount of association which KRUSE claim existed been himself and EPSTEEN. KRUSE was particularly vehement in his blame of [redacted] indicating that he felt that [redacted] was primarily responsible for this publicity. b6 b7C

CG T-1 advised that as a result of the publicity described above which resulted from the disclosures by the Chicago Crime Commission of the association between PETER EPSTEEN and LESLIE KRUSE, KRUSE was approached by the owner of the Pittsfield Restaurant, MAURICE NORMAN. According to this informant NORMAN was aware that KRUSE was using his restaurant as a meeting place with RALPH PIERCE up until the time of this publicity. CG T-1 advised that NORMAN requested KRUSE, in a gentlemanly fashion, not to subject him and his restaurant to the same type of publicity which KRUSE had subjected PETER EPSTEEN and his automobile agency. According to CG T-1, NORMAN requested KRUSE to cease and desist from frequenting the Pittsfield Restaurant in the future. In regard to this it is noted that both CG T-1 and CG T-2 have advised that since the contact of KRUSE by NORMAN, KRUSE has ceased frequenting the Pittsfield Restaurant although CG T-2 advised that he did observe KRUSE in the Pittsfield Building, but not in the restaurant during early August, 1968.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois
August 26, 1968

In Reply, Please Refer to
File No. CG 91-1037

Title **LESLIE EARL KRUSE**

Character **ANTI-RACKETEERING**

Reference is made to report of Special Agent William F. Roemer, Jr., dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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(Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAG	10/18/68	8/21 - 10/15/68

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE aka	SA WILLIAM F. ROEMER, JR.	prk

CHARACTER OF CASE

ANTI-RACKETEERING

REFERENCE: Report of SA WILLIAM F. ROEMER dated 8/26/68 at Chicago.

- P-

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

ACCOMPLISHMENTS CLAIMED NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

3-Bureau (92-5505)
2-USA, Chicago
(1- AUSA [redacted]
2-Chicago (92-1037)

92-5505-282

4 OCT 21 1968

REC-64

EX-101

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NOTE STAT. SEC'Y

Dissemination Record of Attached Report	Notations
Agency	
Request Recd.	CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2584
By	

54 OCT 21 1968

IDW 10-29-68

☆ U.S. GOVERNMENT PRINTING OFFICE : 1967 O

CG 92-1037)

Source	Date Contacted	Contacting Agent
T-1 [redacted]	10/7/68	SA WILLIAM F. ROEMER, JR.
T-2 [redacted]	Numerous occasions during 8, 9 & 10/68	SA WILLIAM F. ROEMER, JR.

b7D

COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2-USA, Chicago
(1- AUSA [redacted]

b6
b7C

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 10/18/68

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues to reside at 5206 Oakton Street, Skokie, Illinois. At the present time KRUSE's current pattern of daily activity includes luncheon meetings with his close associates and leadership of organized crime, GUS ALEX and RALPH PIERCE. These meetings generally take place in public restaurants in the Loop area of Chicago. Locations of these meeting places identified herein.

- P -

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CG 92-1037

DETAILS: AT CHICAGO, ILLINOIS

I. BACKGROUND

Residence

CG T-1 advised that LESLIE KRUSE continues to reside at 5206 Oakton Street, in Skokie, Illinois.

II. CURRENT PATTERN OF DAILY ACTIVITY OF LESLIE KRUSE

CG T-2 advised that it continues to be the current pattern of daily activity on the part of LESLIE KRUSE to drive his 1968 Pontiac automobile with 1968 Illinois license plates GD 8534, to the Loop area from his Skokie residence on three or four weekday mornings per week. The informant advised that KRUSE generally parks his automobile in the Gerrick Parking Garage located across from the Civic Center on Randolph Street.

CG T-1 advised that KRUSE then generally meets with his close associates in the leadership of organized crime in Chicago, GUS ALEX and/or RALPH PIERCE.

CG T-2 advised that these meetings generally take place in public restaurants in the Loop area of Chicago.

CG T-2 advised that another place where these meetings take place is the Law Office of [redacted] in the [redacted] at [redacted] Chicago. CG T-2 noted, however, that on or about October 4, 1968, [redacted] suffered a serious heart attack and was on or about that date confined to the hospital. CG T-2 advised that he has not observed KRUSE at [redacted] office since that time. b6 b7C

III. IDENTITY OF MEETING PLACES OF LESLIE KRUSE

CG T-2 advised that the following are the current places utilized by KRUSE to meet with his associates:

Stouffer's Restaurant, Northwest corner Randolph and Wabash

The Jolly Chef Restaurant, located in a public building on the east side of Wabash between Washington and Madison

The Blackhawk Restaurant, located on the southeast corner of Randolph and Wabash

Gionnetti's Restaurant, located on Lake Street, between Michigan and State

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. CG 92-1037

Chicago, Illinois
October 18, 1968

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference is made to report dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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VIA TELETYPE
DEC 3 1968
ENCIPHERED

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

WA 11 524PM RMF

DEFERRED 12-3-68 RMF

TO DIRECTOR 92-5505 PLAINTEXT

FROM CHICAGO 92-1037

LESLIE EARL KRUSE, AKA. AR. OO CHICAGO.

[redacted] ADVISED THAT KRUSE, A TOP b7D
LEADER OF ORGANIZED CRIME IN CHICAGO, IS EXTREMELY BITTER AT PRESENT DUE TO FACT THAT PUBLICITY ENGENDERED AS RESULT OF CHICAGO CRIME COMMISSION "SPOTLIGHT ON ORGANIZED CRIME" BROCHURE HAS DRASTICALLY CURTAILED INCOME OF TWO FIRMS WITH WHICH HE HAD SOME ASSOCIATION.

FOR YEARS KRUSE HAS BEEN PRINCIPAL OWNER OF NU WAY PLUMBING CO ON WEST SIDE CHICAGO WHICH HAS HAD MANY PUBLIC CONTRACTS. KRUSE HAS COMPLAINED THAT FOLLOWING NEWSPAPER PUBLICITY WHICH RESULT FROM CCC'S "SPOTLIGHT" NU WAY HAS LOST NUMEROUS CONTRACTS AND PROFITS FROM NU WAY HAVE SUBSTANTIALLY DWINDLED.

KRUSE ALSO COMPLAINING THAT AS RESULT SAME EXPOSURE PETER EPSTEEN PONTIAC AGENCY, FORMERLY WORLD'S LARGEST PONTIAC AGENCY, WAS FORCED TO SELL ITS BUSINESS TO PUBLIC PONTIAC. NOTED THAT PETER EPSTEEN WAS CLOSE ASSOCIATE OF KRUSE AND AGENCY WAS USED BY KRUSE AND OTHER CHICAGO HOODLUMS FREQUENTLY AS HANGOUT AND MEETING PLACE.

REC 11 92-5505-283

6 DEC 4 1968

END PAGE ONE

PAGE TWO

NOTED PUBLIC PONTIAC IS [redacted] WHO IS [redacted] b6 b7C

AND CLOSE ASSOCIATE GUS ALEX, KRUSE AND RALPH PIERCE

AMONG OTHER TOP LEADERS ORGANIZED CRIME.

FOR INFO SAN FRANCISCO, PC ALSO

ADVISED THAT EPSTEEN IS

CURRENTLY NEGOTIATING WITH PONTIAC OFFICIALS WITH HOPES OF

OBTAINING PONTIAC FRANCHISE IN SAN FRANCISCO.

AM COPY SAN FRANCISCO.

END

CJD

FBI WASH DC

FD-263 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	12/19/68	10/16 - 12/16/68

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE aka	SA WILLIAM F. ROEMER, JR.	prk
	CHARACTER OF CASE: AR	

REFERENCE: Report of SA WILLIAM F. ROEMER dated 10/18/68 at Chicago.

- P -

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

- A* -
COVER PAGE

ACCOMPLISHMENTS CLAIMED ☒ NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☒ YES ☐ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☒ NO

APPROVED _____ SPECIAL AGENT IN CHARGE _____

DO NOT WRITE IN SPACES BELOW

92-5505-984

REC-2

18 DEC 20 1968

COPIES MADE:

3-Bureau (92-5505)
2-USA, Chicago
(1- AUSA [redacted])
2-Chicago (92-1037)

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Dissemination Record of Attached Report

Agency	
Request Recd.	CC. A.G., Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2054
By	

Notations: NINE STAR SECT.

GPO : 1968 O - 299-885

53 DEC 31 1968

10-16-20-68 COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: (2)-USA, Chicago
(1- AUSA [redacted]

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b7C

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 12/19/68

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues to reside with his family at 5206 Oakton Street, Skokie, Illinois. [redacted] subpoenaed to appear before Federal Grand Jury, Northern District of Illinois (Chicago) on 12/12/68. However, as of 12/16/68 [redacted] has not been scheduled for appearance.

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- P -

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☆ U.S. GOVERNMENT PRINTING OFFICE: 1967—O—273-878

CG 92-1037

DETAILS: AT CHICAGO, ILLINOIS

I. BACKGROUND

Residence

Contact was made by SAs WILLIAM F. ROEMER and JOHN D. RIORDAN with [redacted] at [redacted] She advised that although KRUSE was not there at the time of the contact, on the evening of December 11, 1968, he continued to reside there with his family. She noted that his family consists of his wife, [redacted].

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II. SUBPOENA OF LESLIE KRUSE

A subpoena commanding the appearance of [redacted] before a Federal Grand Jury of the Northern District of Illinois (NDI) was served on [redacted] on December 12, 1968. However, according to Assistant United States Attorney (AUSA) [redacted] Special Prosecutions Unit, NDI, [redacted]

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(3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	2/20/69	12/17/68 - 2/18/68

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE, aka	SA WILLIAM F. ROEMER	ear

CHARACTER OF CASE

AR

REFERENCES: Report of SA WILLIAM F. ROEMER dated 12/19/68, at Chicago.

- P -

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

CG T-1 [redacted]

2/13/69 to
SA WILLIAM F. ROEMER

b7D

ACCOMPLISHMENTS CLAIMED None						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED VVI SPECIAL AGENT IN CHARGE

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92 [redacted] 285 REC 11

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2 - Chicago (92-1037)

b6
b7C

Dissemination Record of Attached Report	
Agency	
Request Recd.	CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2524
By	

Notations

NOTE SPAT. SECT.

55 MAR 12 1969 226

10 xw 3-6-69

U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

CG 92-1037

CG T-2

[redacted]

2/18/69 to
SA WILLIAM F. ROEMER

b7D

- B* -
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - USA, Chicago
(1 - AUSA [redacted]) b6 b7C

Report of: SA WILLIAM F. ROEMER Office: Chicago
Date: 2/20/69

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTT-RACKETEERING

Synopsis: KRUSE continues to maintain his residence at 5206 Oakton Street, Skokie, Illinois. Although [redacted] subpoenaed to appear before Federal Grand Jury (FGJ) he [redacted]. Activities of KRUSE and his close associates in organized crime in Chicago, RALPH PIERCE and GUS ALEX have been most circumspect since commencement of FGJ in Chicago in December, 1968. b3

- P -

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☆ U.S. GOVERNMENT PRINTING OFFICE: 1967-O-273-878

CG 92-1037

DETAILS: AT CHICAGO, ILLINOIS.

I. BACKGROUND

Residence

Pretext contact was made by SA WILLIAM F. ROEMER of LESLIE KRUSE at his residence at 5206 Oakton Street, Skokie, Illinois, on February 16, 1969.

II. STATUS OF KRUSE BEFORE FEDERAL GRAND JURY, CHICAGO

Assistant United States Attorney (AUSA), [redacted], Special Prosecutions Unit, United States Attorney's Office, Chicago, Illinois, advised that although a subpeona was served upon [redacted] to appear before the federal grand jury in December, 1968, [redacted]

b3
b6
b7C

III. CURRENT ACTIVITIES OF KRUSE

CG T-1 advised that during the month of December, 1968, and January, 1969, through the middle of February, 1969, GUS ALEX, LESLIE KRUSE, and RALPH PIERCE, all of whom have been reported to the leaders of organized crime in previous reports, have decided that meetings between them should be few and far between and when held should be held in a most circumspect manner. CG T-1 advised that was the reason for this is the federal grand jury proceedings which were in progress during these months. The informant indicated that these three individuals did not desire to bring themselves to the attention of law enforcement agencies during that period by continued meetings such as they previously held with each other in public restaurants in the loop area during noon luncheon hours. The informant indicated that ALEX, PIERCE, and KRUSE were then operating under the theory "Out of Sight, Out of Mind".

CG T-2 advised that although he has observed GUS ALEX, LESLIE KRUSE, and RALPH PIERCE meeting with each other on the frequency of 2 or 3 times per week [redacted] b7D

[redacted]

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
February 20, 1969

In Reply, Please Refer to
File No. CG 92-1037

Title **LESLIE EARL KRUSE**

Character **ANTI-RACKETEERING**

Reference **is made to report of Special Agent William F. Roemer, dated and captioned as above.**

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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VIA TELETYPE

MAR 17 1969

ENCIPHERED

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Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

WA--09--740 PM RSH

DEFERRED 3-17-69 RSH

TO DIRECTOR --PLAINTEXT--

FROM CHICAGO (92-1037) 1P

Anti-racketeering Office of Origin

LESLIE KRUSE, ~~AKA~~ also known as " KILLER KANE;" ~~AR.~~ ~~00;~~ CHICAGO.

AS BUREAU AWARE, KRUSE IS UPPER ECHELON LEADER OF ORGANIZED CRIME IN CHICAGO WHO IS MEMBER OF GUS ALEX GROUP RESPONSIBLE FOR "FIXES" WHEN MEMBERS ORGANIZED CRIME ON TRIAL AND FOR DEVELOPING CONTACTS IN PUBLIC SEGMENT WHO CAN PROVIDE FAVORABLE TREATMENT TO CHICAGO GROUP.

[redacted] ADVISED MARCH SEVENTEEN INSTANT THAT ON LATE EVENING MARCH FIFTEEN LAST KRUSE SUFFERED FIRST OF TWO HEART ATTACKS AND CURRENTLY IS IN CRITICAL CONDITION, INTENSIVE CARE UNIT, ST. FRANCIS HOSPITAL, EVANSTON, ILL. PC ADVISED THERE IS REASON TO FEAR FOR LIFE OF KRUSE AT THIS TIME.

b7D

REC-114

END

RDR

FBI WASH DC

MAR 21 1969

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	4/23/69	2/19 - 4/17/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE, aka	SA WILLIAM F. ROEMER	ear
	CHARACTER OF CASE: AR	

REFERENCE: Report of SA WILLIAM F. ROEMER, dated 2/20/69, at Chicago.

- P -

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

Source	Date Contacted & Contacting Agent
T-1 [redacted]	4/18/69, to SA WILLIAM F. ROEMER

b7D

ACCOMPLISHMENTS CLAIMED: None						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED: VVI — SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-287 REC-6

APR 24 1969

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Dissemination Record of Attached Report

Agency	CC. AAG, Criminal Division,
Request Recd.	Organized Crime and Racketeering
Date Fwd.	Section, Room 2224.
How Fwd.	
By	

Notations

NFIB & STAT SEC'D

54 MAY 6 - 1969

1D4D 5-2-69

U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

CG 92-1037

T-2

3/17/69 to SA WILLIAM F. ROEMER

b7D

- B* -
COVER PAGE

D-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - USA, Chicago
(1 - AUSA [redacted]

b6
b7C

Report of: SA WILLIAM F. ROEMER
Date: 4/23/69

Office: Chicago

Field Office File #: 92-1037

Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: Although KRUSE continues to maintain his residence at 5206 Oakton Street, Skokie, Illinois, he suffered two serious heart attacks on evening March 15, 1969, and was confined in St. Francis Hospital, Evanston, Illinois, from that date until 4/14/69, when he returned to his residence. He will be confined to his home for next month or 6 weeks. As a result of heart attack KRUSE currently inactive in affairs organized crime.

- P -

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☆ U.S. GOVERNMENT PRINTING OFFICE: 1967—O—273-878

CG 92-1037

DETAILS: AT CHICAGO, ILLINOIS

I. BACKGROUND

Residence

CG T-1 advised that LESLIE KRUSE continues to maintain his residence at 5206 Oakton Street, Skokie, Illinois.

II. STATUS OF HEALTH

CG T-2 advised that on the evening of March 15, 1969, LESLIE KRUSE suffered the first of two heart attacks which he was to suffer that day. This attack took place during the late afternoon or early evening hours at KRUSE's residence. He was immediately removed by police ambulance to the intensive care unit of St. Francis Hospital, Evanston, Illinois.

On April 8, 1969, CG T-1 advised that KRUSE had been dismissed from the intensive care unit and that he was now recouperating satisfactorily in room 374 of the cardiac section of St. Francis Hospital.

On April 9, 1969, KRUSE was visited in room 374 of St. Francis Hospital by SA WILLIAM F. ROEMER and it was confirmed that he had suffered a heart attack and was confined in St. Francis Hospital.

On April 16, 1969, CG T-1 advised that KRUSE had been discharged from St. Francis Hospital on April 14, 1969, and that he was recouperating satisfactorily at his residence in Skokie. CG T-1 advised that KRUSE has been informed by his physician that he must remain confined to bed in his residence except for 3 10 minute periods per day and that this confinement will continue indefinitely. CG T-1 [redacted] he felt that KRUSE was completely out of any danger of death and that within a month or 6 weeks he would be in a position where he could gradually and slowly resume normal physical activity. b7D

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. **CG 92-1037**

Chicago, Illinois
April 23, 1969

Title **LESLIE EARL KRUSE**

Character **ANTI-RACKETEERING**

Reference **is made to report of Special Agent William F. Roemer, dated and captioned as above.**

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	6/18/69	4/18/69 - 6/11/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE, aka	SA WILLIAM F. ROEMER	ear
	CHARACTER OF CASE: AR	

REFERENCE: Report of SA WILLIAM F. ROEMER dated 4/23/69.

- P -

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

CG T-1 [redacted]

Date Contacted and Contacting Agent
5/29/69, to SA WILLIAM F. ROEMER

b7D

- A* -
COVER PAGE

ACCOMPLISHMENTS CLAIMED None						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED _____ SPECIAL AGENT IN CHARGE _____

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92-5505-288

REC-115

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b6
b7C

3 JUN 19 1969

Dissemination Record of Attached Report

Agency
Request Recd. CC. AAG, Criminal Division,
Date Fwd. Organized Crime and Racketeering
How Fwd. Section, Room 3534.
By

Notations

NEW

JUN 30 1969

* U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - USA, Chicago
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b6
b7C

Report of: SA WILLIAM F. ROEMER
Date: 6/18/69

Office: Chicago

Field Office File #: 92-1037

Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues to be confined to his residence at 5206 Oakton Street, Skokie, Illinois, following the 2 heart attacks which he suffered in March. KRUSE is making a slow but progressive recovery and as of early June, 1969, was to the point where he could soon leave his residence for brief periods of time.

- P -

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CG 92-1037

DETAILS: AT CHICAGO, ILLINOIS

CG T-1 advised that LESLIE KRUSE continues to be confined to his residence at 5206 Oakton Street, Skokie, Illinois, following the 2 serious heart attacks which he suffered in March, 1969.

This informant advised that KRUSE is making a slow but normal recovery and that as of early June, 1969, he was at the point in his recovery where he soon would be allowed by his physician to leave his residence for a very brief period of time aslong as he did not over extend himself.

FD-263 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

June 18, 1969

In Reply, Please Refer to
File No. CG 92-1037

Title **LESLIE EARL KRUSE**

Character ANTI-RACKETEERING

Reference is made to report of Special Agent William F. Roemer, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	8/22/69	6/12 - 8/19/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE aka	SA WILLIAM F. ROEMER, JR.	prk

CHARACTER OF CASE

ANTI - RACKETEERING

REFERENCE: Report of SA WILLIAM F. ROEMER, JR., dated 6/18/69.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

Source	Date Contacted	Contacting Agent
CG T-1 is	8/14/69	SA WILLIAM F. ROEMER, JR.

- A* -

COVER PAGE

NONE	ACCOMPLISHMENTS CLAIMED					
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	ACQUITTALS

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED VLT SPECIAL AGENT IN CHARGE

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92-[illegible]-289

REC 12

AUG 22 1969

ST-113

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Dissemination Record of Attached Report

Agency
Request Recd. CC: AAG, Criminal Division,
Date Fwd. Organized Crime and Racketeering
How Fwd. Section, Room [illegible]
By

59 SEP 3 1969

Notations
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STAT. SECT.

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* U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Chicago

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 8/22/69

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI - RACKETEERING

Synopsis: Recovery of KRUSE from heart attacks suffered in 3/69 has been slow but progressive. KRUSE interviewed on 8/14/69 advised that he can leave residence for brief periods of time if someone drives him and if he does not exert himself. Observed 8/14/69 in loop area of Chicago in company of RALPH PIERCE, close associate of KRUSE and leadership of organized crime in Chicago.

- P -

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CG 92-1037

DETAILS: AT CHICAGO, ILLINOIS

CG T-1 advised that LESLIE KRUSE has made a very slow recovery from his heart attacks, which he suffered in March, 1969, and that he continues to spend most of his time in his residence at 5206 Oakton Street, in Skokie, Illinois.

KRUSE was interviewed by SA WILLIAM F. ROEMER, JR., on August 14, 1969, after he was observed meeting with RALPH PIERCE, one of his close associates in the leadership of organized crime in Chicago, in the loop area of Chicago, on August 14, 1969.

KRUSE advised that he has made a substantial recovery from his heart attacks but that he is being extremely cautious and careful concerning his physical activity, sleep, exertion, pressure and tension. KRUSE advised that he visited the Mayo Clinic in Rochester, Minnesota, a short period of time ago and had a complete diagnosis of his condition in order to assure himself that his own physicians knew what they were doing. He stated that he has been informed by the physicians at Mayo Brothers and by his own physicians that he is making a normal recovery.

KRUSE advised that he is now at the point where he is able to leave his residence for a brief period of time if he can get someone, such as his wife [redacted] to drive him some place, such as for a luncheon or dinner meeting. He advised that as long as there are no tensions involved or very little physical exertion he is able to do this. He advised that for instance on August 14, 1969, he was driven into the loop area by a member of his family, met for a very short period of time with PIERCE and then returned to his residence by a member of his family.

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FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. CG 92-1037

Chicago, Illinois
August 22, 1969

Title LESLIE EARL KRUSE

Character ANTI - RACKETEERING

Reference is made to report of SA WILLIAM F. ROEMER, JR., dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	10/23/69	8/20 - 10/21/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE aka	SA WILLIAM F. ROEMER, JR.	prk
	CHARACTER OF CASE: AR	

REFERENCE: Report of SA WILLIAM F. ROEMER, JR., dated 8/22/69.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

Source	Date Contacted	Contacting Agent
CG T-1 is	10/17/69	SA WILLIAM F. ROEMER, JR.

- A* -

b7D

NONE — ACCOMPLISHMENTS CLAIMED — COVER PAGE

CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	ACQUITTALS

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED — SPECIAL AGENT IN CHARGE

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90-7 JUN 5 1972

92-5505-290
REC-38
ST-140
3 OCT 27 1969

Dissemination Record of Attached Report

Agency	
Request Recd.	1 cc. AAG, Criminal Division
Date Fwd.	Organized Crime and Racketeering
How Fwd.	
By	Section, Room 2824

Notations:

54 NOV 3 1969

* U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Chicago

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 10/23/69

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE making slow progress recuperating from heart attacks suffered in March, 1969. Activity on behalf of organized crime considerably curtailed since heart attacks due to pressure of various investigations. KRUSE attempting to disassociate himself from his ownership and operation of the Nu-Way Contracting Corporation and the Nu-Way Food Service Equipment Company. Contacts of KRUSE with his long time associate and leadership of organized crime, RALPH PIERCE, continues, but on limited basis. KRUSE continues to reside at 5206 Oakton, Skokie, Illinois.

- P -

DETAILS: AT CHICAGO, ILLINOIS.

CG T-1 advised that KRUSE continues to reside at 5206 Oakton Street, Skokie, Illinois, an address which he occasionally gives as 8801 North Laramie, Skokie, Illinois, it being noted that he resides at the corner of Laramie and Oakton, Skokie.

This source advised that KRUSE continues to make a very slow recovery from the heart attacks which he suffered in March, 1969. CG T-1 advised that KRUSE

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is a very cautious individual by nature and that this has caused him to be very careful and very slow about activity and exercise following his heart attacks.

CG T-1 advised that on rare occasions KRUSE meets with his associate in the leadership of organized crime, RALPH PIERCE, at noon luncheon meetings in public restaurants in the loop area of Chicago. This informant advised that KRUSE is generally driven to these meetings by his wife or [redacted] one of whom has just recently passed the Illinois Bar Examination and will soon open practice as an attorney in Chicago. CG T-1 advised that it is his understanding that KRUSE meets for an hour or so with PIERCE and then is driven back to his residence by his driver, as the case may be. CG T-1 advised that it is also his understanding that KRUSE has drastically curtailed his activity in behalf of organized crime in Chicago due to his health and physical condition.

CG T-1 also advised that he understands that at the present time KRUSE is attempting to disassociate himself from his ownership and operation of the company which he has owned for many years, the Nu-Way Food Service Equipment Company and the Nu-Way Contracting Corporation, both located at 655 North Kedzie, Chicago, Illinois, telephone # SA2-0800. This informant advised that recently the president of this company, HENRY ORTH, was subpoenaed before the Illinois Crime Commission to testify concerning the operations and contracts of this company. Informant advised that KRUSE feels that this company can give him nothing but "heat" and trouble, and as a result is attempting either to sell the company or to disassociate himself from its operation completely.

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CG T-1 advised that KRUSE's feeling concerning his company is typical of his attitude at the present time. He advised that KRUSE feels that he is sufficiently well off so that he can reside comfortably for the rest of his life, particularly since [redacted] are now practically self-sufficient and [redacted] is engaged to be married. CG T-1 advised

that KRUSE feels that he needs no further income if the receipt of such income brings with it danger to his well-being and physical health. Therefore, CG T-1 advised KRUSE at the present time is in a practically semi-retired status. He advised, however, that he does not know whether this is a temporary situation which will change as KRUSE's health improves.

FD-323 (Rev. 11-20-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

CG 92-1037

Chicago, Illinois
October 23, 1969

Title LESLIE EARL KRUSE

Character ANTI - RACKETEERING

Reference is made to report of SA WILLIAM F. ROEMER, JR., dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	10/23/69	8/20 - 10/21/69

TITLE OF CASE: LESLIE EARL KRUSE aka

REPORT MADE BY: SA WILLIAM F. ROEMER, JR. TYPED BY: prk

CHARACTER OF CASE: AR

REFERENCE: Report of SA WILLIAM F. ROEMER, JR., dated 8/22/69.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

Source	Date Contacted	Contacting Agent
CG T-1 is	10/17/69	SA WILLIAM F. ROEMER, JR.

b7D

- A* -

NONE

ACCOMPLISHMENTS CLAIMED — COVER PAGE

CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	ACQUITTALS

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED | SPECIAL AGENT IN CHARGE | DO NOT WRITE IN SPACES BELOW

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Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations: 92-5505-290

★ U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

OCT 30 1969

TELETYPE

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FBI CHICAGO

246PM DEFERRED 10/30/69 DJS

TO DIRECTOR AND LAS VEGAS

FROM CHICAGO (92-1037) 2P

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Mr. Walters
Mr. Mohr
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Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

LESLIE EARL KRUSE, AKA. AR. OO: CHICAGO.

RE LV PHONE CALL OCTOBER TWENTY NINE LAST RE POSSIBLE PRESENCE OF KRUSE, UPPER ECHELON LEADER ORGANIZED CRIME, CHICAGO, IN LV PAST WEEK.

[redacted] AND [redacted]

[redacted] ADVISED KRUSE LEFT CHICAGO BY PLANE FOR LAS VEGAS ON OCTOBER SEVENTEEN LAST. ADVISED THAT KRUSE'S WIFE, ELSIE, HAD DEPARTED CHICAGO SEVERAL DAYS PRIOR THERETO AND WENT TO CALIFORNIA TO VISIT EIGHT SEVEN YEAR OLD MOTHER AND THEN FLEW FROM CALIFORNIA TO LAS VEGAS OCTOBER SEVENTEEN WHERE SHE MET KRUSE AT AIRPORT.

KRUSE AND WIFE THEN WENT TO LAS VEGAS HOTEL WHERE THEY REGISTERED, APPARENTLY UNDER ASSSUMED NAMES. PCS ADVISED THAT ALLEGED PURPOSE OF TRIP WAS FOR KRUSE, RECUPERATING FROM HEART ATTACKS, TO TAKE ADVANTAGE OF WARM WEATHER IN

END PAGE ONE

b6
b7C
b7D

REC-35 92-5505-291

NOV 4 1969

LAS VEGAS SINCE WEATHER IN CHICAGO TURNED COLD TWO OR THREE DAYS PRIOR TO OCTOBER SEVENTEEN.

KRUSE AND WIFE THEN RETURNED VIA AIR TO CHICAGO EARLY PM OCTOBER TWENTY SEVEN LAST. b6 b7C

PCS ADVISED KRUSE WILL PROBABLY TRAVEL TO WARMER CLIMATE AGAIN IN NEAR FUTURE FOR SAME REASON AND THEY WILL ADVISE OF HIS PLANS PRIOR TO HIS DEPARTURE. HOWEVER, HE WILL RETURN TO CHICAGO IN JANUARY FOR WEDDING OF [redacted]

[redacted]

LAS VEGAS REQUESTED TO ADVISE CHICAGO RESULTS OF CONTACTS WITH LOGICAL SOURCES RE KRUSE'S LAS VEGAS TRIP.

END

BRB

FBI WASH DC

P

:/&

VIA TELETYPE
NOV 19 1969
FBI - CHICAGO

Mr. Tolson	
Mr. DeLoach	
Mr. Walters	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Soyars	
Tele. Room	
Miss Holmes	
Miss Gandy	

WA 10 1221PM EMS

DEFERRED 11-19-69 EOM

TO DIRECTOR PLAINTEXT

FROM CHICAGO (92-1037) 2P

ANTIRACKETEERING

LESLIE EARL KRUSE, AKA. AR. OO CHICAGO.

AS BUREAU AWARE, KRUSE IS UPPER ECHELON LEADER OF ORGANIZED CRIME IN CHICAGO. HE IS CHICAGO GROUP'S EXPERT ON CASINO TYPE GAMBLING AND IS MEMBER OF GUS ALEX GROUP RESPONSIBLE FOR CORRUPTION OF PUBLIC OFFICIALS. KRUSE SUFFERED TWO HEART ATTACKS LAST SPRING AND HAS BEEN RELATIVELY INACTIVE IN RECENT MONTHS ALTHOUGH HE TRAVELED TO LAS VEGAS RECENTLY.

ILLINOIS CRIME COMMISSION (ICC) PRESENTLY IN PROCESS OF SERVING SUBPOENAS ON INDIVIDUALS INVOLVED IN "JUICE" (LOAN SHARK) ACTIVITIES IN CHICAGO. ALTHOUGH THERE IS NO INDICATION KRUSE INVOLVED IN JUICE, ICC DECIDED TO SUBPOENA HIM SINCE KRUSE WAS INVOLVED IN OWNERSHIP OF NU WAY PLUMBING CO. AND NU WAY CONTRACTING CO. WHICH HAVE MANY PRIVATE AND PUBLIC CONTRACTS AS SUB CONTRACTORS IN CHICAGO AREA. PURPOSE OF APPEARANCE OF KRUSE IS TO SHOW PUBLIC NATURE OF LEGITIMATE BUSINESS INFILTRATION BY HOODLUMS SUCH AS KRUSE.

END PAGE ONE

REC 18 92-5508-272

EX 116

NOV 21 1969

59 DEC 8 1969

ICC IS ALSO PREPARING BROCHURE ON JUICE FIGURES IN CHICAGO AREA WHICH THEY CONTEMPLATE DISTRIBUTING TO LAW ENFORCEMENT AGENCIES AND POSSIBLY TO PUBLIC.

IT IS NOT ANTICIPATED THAT HEARINGS OF ICC WILL DEVELOP ANYTHING WHICH IS NOT ALREADY KNOWN TO KNOWLEDGABLE LAW ENFORCEMENT AGENCIES BUT IS INTENDED TO ALERT PUBLIC TO DANGERS INHERENT IN JUICE ACTIVITY AND TO SHOW PUBLIC EXAMPLE OF LEGITIMATE BUSINESS OPERATED BY HOODLUMS.

BUREAU WILL BE KEPT ADVISED OF ANY PERTINENT INFORMATION DEVELOPED BY HEARINGS.

~~CORR 1ST PAGE LINE 12 5TH WD SH BE PLUMBING~~

END

HWL

FBI WASH DC

&

VIA TELETYPE
NOV 26 1969
ENCIPHERED

WA 02 156PM DCK

DEFERRED 11-26-69 EOM

TO DIRECTOR (92-5505) PLAINTEXT

FROM CHICAGO (92-1037) 2P

ANTIRACKETEERING

LESLIE EARL KRUSE, AKA. AR. OO CHICAGO.

Mr. Tolson
Mr. DeLoach
Mr. Walters
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

REMYTEL NOVEMBER NINETEEN LAST ADVISING THAT ILLINOIS CRIME COMMISSION (ICC) WAS TO COMMENCE HEARINGS ON JUICE RACKETS IN CHICAGO AND ALSO WOULD SUBPOENA KRUSE, ONE OF UPPER ECHELON LEADERS ORGANIZED CRIME, CHICAGO, CONCERNING HIS OWNERSHIP OF NU WAY PLUMBING AND CONTRACTING COMPANIES WHICH HAVE PUBLIC CONTRACTS.

THESE HEARINGS COMMENCED NOVEMBER TWENTY FOUR LAST AND HAVE RECEIVED CONSIDERABLE ATTENTION FROM CHICAGO NEWS MEDIA. KRUSE FAILED TO APPEAR DUE TO STATUS OF HIS HEALTH SINCE HE HAD HEART ATTACKS LAST SPRING BUT EVIDENCE WAS PUT ON RECORD SHOWING THAT HIS COMPANY HAS RECEIVED HUNDREDS OF THOUSANDS OF DOLLARS ON CONTRACTS WITH FEDERAL, STATE AND LOCAL AGENCIES.

HEARINGS HAVE ALSO FOCUSED ON JUICE OPERATIONS OF SEVERAL OF BEST KNOWN HOODLUMS IN CHICAGO AREA.

END PAGE ONE

REC- 62

12 DEC 1 1969

PAGE TWO

AS SET OUT IN REMYTEL HOWEVER, ALL INFO PUT ON RECORD HAS BEEN KNOWN PREVIOUSLY BY ALL KNOWLEDGABLE LAW ENFORCEMENT AGENCIES IN CHICAGO AND IN MOST CASES ALREADY MATTER OF PUBLIC RECORD. BUREAU WILL BE KEPT ADVISED OF ANY PERTINENT DEVELOPMENT.

END

HWL

FBI WASH DC

CC: MR. GALE

FD-268 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	12/18/69	10/22 - 12/10/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE aka	SA WILLIAM F. ROEMER, JR.	prk
	CHARACTER OF CASE: AR	

REFERENCE: Report of SA WILLIAM F. ROEMER, JR., dated 10/23/69, at Chicago.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

ACCOMPLISHMENTS CLAIMED ☒ NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☒ YES ☐ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☒ NO

APPROVED _____ SPECIAL AGENT IN CHARGE _____

DO NOT WRITE IN SPACES BELOW

COPIES MADE:
3-Bureau (92-5505)
1-USA, Chicago
2-Chicago (92-1037)

92-5505-294

DEC 19 1969

REC-78

Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.	CC. AAG, Criminal Division			
How Fwd.	Criminal Crimes and Racketeering			
By	[illegible] 2554			

Notations: MINE STAT. SECT.

COVER PAGE

GPO : 1968 O - 299-885

CG 92-1037

Source	Date Contacted	Contacting Agent
CG T-1 is [redacted]	10/30/69 & 12/10/69	SA WILLIAM F. ROEMER, JR.

b7D

- B* -
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Chicago

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 12/18/69

Field Office File #: 92-1037 Bureau File #: 92-5505

Title:

LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: KRUSE continues to reside at 5206 Oakton Street, Skokie, Illinois. Although he continues to pace himself slowly at this point in his progress of recuperation from heart attacks, which he suffered in 3/69, KRUSE slowly recovering and at this time is almost able to maintain normal activity. Visited Las Vegas, Nevada, in 10/69, ostensively as part of his recuperation program. Subpoenaed before Illinois Crime Commission in 11/69, but was excused from appearance after obtaining certificate from physician indicating he was unable to appear.

- P -

DETAILS:

I. CURRENT RESIDENCE

CG T-1 advised that KRUSE continues to reside at 5206 Oakton Street, Skokie, Illinois.

II. STATUS OF HEALTH

CG T-1 advised that KRUSE is continuing to make satisfactory progress in the recuperation from

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U. S. GOVERNMENT PRINTING OFFICE : 1969 O - 351-076

two heart attacks which he suffered in March, 1969. CG T-2 advised that slowly but surely KRUSE is getting to the point where he can maintain normal activity.

III. TRAVEL

CG T-1 advised that he became aware that KRUSE travelled to Las Vegas, Nevada, in October, 1969. According to the informant, the purpose of KRUSE's travel was for health purposes.

On October 30, 1969, KRUSE was interviewed by SA WILLIAM F. ROEMER, JR., concerning the circumstances surrounding his travel to Las Vegas. He advised that he went there strictly for health purposes as a part of his recuperation program. He advised that his wife, ELSIE, departed Chicago several days before he did and went to California to visit her 87 year old mother and then flew from California to Las Vegas on October 17, 1969. On that date she met KRUSE at the airport in Las Vegas as he arrived. They then went to a Las Vegas hotel where they registered under assumed names. KRUSE advised that the reason that he did this was to prevent any of his associates from knowing he was in town, inasmuch as he wanted strictly to rest and recuperate. He advised that the reason that he went to Las Vegas was because the weather turned cold two or three days prior to October 17, and he desired to take advantage of the warm weather in Las Vegas at that time.

KRUSE advised that he and his wife returned via air to Chicago early on the afternoon of October 27, 1969.

KRUSE advised further that he will probably travel again to the warmer climate in the winter of 1970, again for purposes of his health.

KRUSE advised that as of October 30, 1969, he was in reasonably good health, but that he was very conscious of the fact that he had to take it very slow and not exert

himself, either physically or mentally. He advised that he was doing everything that he could to avoid nervous tension and that his current activity at the present time consisted mainly of an occasional luncheon with RALPH PIERCE, a long-time associate.

[redacted] Illinois Crime Commission, advised on November 19, 1969, that he issued a subpoena, which was thereafter served on the person of LESLIE KRUSE in view of the fact that he, [redacted] had received information indicating to him that the company which is owned by KRUSE, Nu Way Plumbing Company, had many private and public contractors in the Chicago area, and that they had made several hundred thousand dollars as a result of contracts with public agencies in particular. He noted that the Chicago Board of Education had, in particular, a contract with Nu Way which was particularly lucrative for Nu Way. b6 b7C

[redacted] subsequently advised that KRUSE was excused from appearing before the Illinois Crime Commission hearings after his personal physician had certified that the status of KRUSE's health was such that he was unable to withstand the rigors of such an appearance.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. CG 92-1037

Chicago, Illinois
December 18, 1969

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference is made to report of SA WILLIAM F. ROEMER, JR., dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-263 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	2/20/70	12/11/69 - 2/16/70

TITLE OF CASE

LESLIE EARL KRUSE aka

REPORT MADE BY: SA WILLIAM F. ROEMER, JR. TYPED BY: prk

CHARACTER OF CASE

AR

REFERENCE: Report of SA WILLIAM F. ROEMER, JR., dated 12/18/69 at Chicago.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report the activities of KRUSE.

INFORMANTS

ACCOMPLISHMENTS CLAIMED						NONE	ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED

SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-5505-295 REC-104

FEB 24 1970

COPIES MADE:

3-Bureau (92-5505)
1-USA, Chicago
2-Chicago (92-1037)

Dissemination Record of Attached Report

Agency	CC. AAG, Criminal Division
Request Recd.	
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2744
By	

Notations

NINE

SEARCHED

COVER PAGE

GPO : 1968 O - 299-885

CG 92-1037

Source	Date Contacted	Contacting Agent
CI T-1 is [redacted]	Several occasions during January & February, 1970	SA WILLIAM F. ROEMER, JR.

b7D

- L* -
COVER PAGE

FD-204 (Rev. [illegible])

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Chicago

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 2/20/70

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character:
ANTI-RACKETEERING

Synopsis:

KRUSE continues to maintain residence at 5206 Oakton Street, Skokie, Illinois. KRUSE continues normal recovery from heart attack suffered in March, 1969, to point where he is now able to maintain normal activity without particular fear of relapse. [redacted] married in mid-January, 1970. [redacted], admitted to Illinois Bar but not practicing.

- P -

DETAILS:

b6
b7C

I. CURRENT RESIDENCE

CG T-1 advised that KRUSE continues to reside at 5206 Oakton Street, Skokie, Illinois, with his wife and mother-in-law. [redacted] also resides at same address but in separate part of house.

II. STATUS OF HEALTH

KRUSE was interviewed by SA WILLIAM F. ROEMER, JR., and JOHN R. BASSETT on February 5,

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1970. He advised at that time that he has been in Chicago continuously since November. He advised that he continues to make normal progress in recuperation from the two heart attacks which he suffered in March, 1969, and that he has recovered to the extent now where he is able to conduct normal activity without particular fear of any relapse. He advised, however, that he is extremely cautious concerning his health and that he makes sure that he is maintaining a proper diet, obtaining plenty of sleep and attempting to disassociate himself from any aggravation. KRUSE claimed that he is not conducting any business activity at this time and that he has disassociated himself from all his former activity to the extent now that he considers himself "retired".

III. MISCELLANEOUS

KRUSE was questioned concerning the report that [redacted] had been married in the Chicago area on or about January 10, 1970. He confirmed that [redacted] had married and that the reception had been held at the Marriott Hotel near O'Hare Airport. He also confirmed the fact that [redacted] had passed the Illinois Bar but stated that he was not practicing law at this time. b6 b7C

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
February 20, 1970

In Reply, Please Refer to
File No. CG 92-1037

Title LESLIE EARL KRUSE

Character ANTI-RACKETEERING

Reference is made to report of SA WILLIAM F. ROEMER, JR., dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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WXA

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION
1970
TELETYPE

Mr. Tolson	
Mr. DeLoach	
Mr. Walters	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Soyars	
Tele. Room	
Miss Holmes	
Miss Gandy	

NR002 CG CODE

144PM URGENT 3-16-70 EOM

TO DIRECTOR

WASHINGTON FIELD

WFO VIA WASHINGTON

FROM CHICAGO (92-1037) 1P

LESLIE EARL KRUSE, AKA. AR. OO:CHICAGO.

AS BUREAU AND WFO AWARE KRUSE IS UPPER ECHELON LEADER ORGANIZED CRIME IN CHICAGO.

AUSA [redacted], CHICAGO, ADVISED MARCH SIXTEEN INSTANT HE RECEIVED PHONE CALL FROM DEPARTMENTAL ATTORNEY [redacted] THAT DEPARTMENT HAS RECEIVED INFO POSSIBLY FROM PASSPORT DIVISION, SECY OF STATE, THAT KRUSE INTENDS TO LEAVE U.S. FOR TRIP TO LONDON AND GERMANY ON APRIL THREE OR FOUR NEXT.

b6
b7C

WFO REQUESTED TO MAKE APPROPRIATE INQUIRY PD DIVISION TO VERIFY AND OBTAIN DETAILS. SUTEL.

EX-103

BUREAU WILL BE KEPT ADVISED OF DEVELOPMENTS.

END

CEC R-RELAY FBI WASH D C

REC-56 92-5505-

14 MAR 17 1970

TELETYPED TO:

WFO 1F297

Rev. 5-22-64)

FBI

Date: 3/20/70

Transmit the following in PLAINTEXT
(Type in plaintext or code)

Via TELETYPE NITEL
(Priority)

Mr. Tolson
Mr. DeLoach
Mr. Walters
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

TO: DIRECTOR, FBI AND SAC, CHICAGO (92-1037)

FROM: SAC, WFO (92-791)

LESLIE EARL KRUSE, AKA AR.

RE CHICAGO TELETYPE TO DIRECTOR AND WFO, MARCH SIXTEEN, LAST.

FILES OF U.S. PASSPORT OFFICE CHECKED ON MARCH TWENTY, INSTANT. U.S. PASSPORT TELEPHONE CHECK TO CHICAGO OFFICE REVEALS NEW PASSPORT ISSUED SUBJECT AT CHICAGO, MARCH THIRTEEN, LAST.

APPLICATION MAILED TO WASHINGTON, D. C. WFO WILL FOLLOW AND REPORT DETAILS AND PASSPORT NUMBER. P.

REC-28 92-5526 297

MAR 23 1970

2 - Bureau
3 - Teletype Unit
2 - WFO

BAD:paw
(7)

55 APR 2 1970

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 4/6/70

FROM : SAC, WFO (92-791) (RUC)

SUBJECT: LESLIE EARL KRUSE, aka
AR

Re Chicago teletype to Bureau 3/16/70, WFO teletype to Bureau 3/20/70.

Enclosed for the Bureau are two copies of a photograph of captioned subject obtained from the files of the United States (US) Passport Office, Washington, D. C. (WDC). Enclosed for Chicago are two copies of photograph described above.

Files of the Passport Office US Department of State were reviewed by SA KENNETH J. HASER 3/20/70. These files disclosed that LESLIE EARL KRUSE was issued passport F-299710 on 4/20/65, at Chicago, Illinois, for a proposed three to five weeks travel to England and France for pleasure. In the application dated 4/20/65, at Chicago, he stated he intended to depart Chicago by air sometime during May, 1965. This passport as issued was valid for three years for travel to all countries escept Albania, Cuba, and those portions of China, Korea and Vietnam under communist control.

This passport was renewed at Chicago about 4/9/68, to expire 4/30/70, at which time he intended to take a three week pleasure trip to Germany. Travel plans were unknown at this time. His permanent residence as supplied at this time was 8018 Laramie, Skokie, Illinois. In the event of death or accident, he requested his wife be notified at the above address.

REC-32 92-5505-298

(2) - Bureau (Enc. 2)
2 - Chicago (92-1037) (Enc. 2)
1 - WFO

BAD:lad
(5)

2 ENCLOSURES
ENCLOSURE ATTACHED

8 APR 7 1970

NOTE

F338
59 APR 17 1970

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108

KRUSE stated on this application that he was born 10/5/06, at Niles Center, Illinois, and the file indicates that a 1945 delayed birth certificate made on affidavit of his mother was seen by passport authorities. His parents were listed: Father, RICHARD KRUSE, PDOB Germany, 1/11/82, US citizen; mother, ANNA L. WAGNER, PDOB Tessville, Illinois, 9/11/85. Subject was last married on 2/14/38, to ELSIE R. FLEIG, born Philadelphia, Pennsylvania, 2/26/13, with marriage not yet terminated.

Notations in this file indicated a review by agents of the Bureau of Narcotics in June, 1965.

Physical description:

Height:	6'
Hair:	Black and gray
Eyes:	Blue
Occupation:	Retired

The files of the Passport Office for captioned subject were reviewed again on 4/2/70, by SA [redacted] b6 b7C The file disclosed that LESLIE EARL KRUSE was last issued passport A 364806 at Chicago, Illinois, on 3/13/70, for a proposed three weeks travel to London and Germany. Purpose of his travel was to "visit". In the application dated 3/13, in Chicago, he stated he intended to depart about April 3, 1970, with no means of transportation listed. His permanent address was listed as 8018 North Laramie, Skokie, Illinois. Passport was picked up by subject in Chicago.

This passport as issued is valid for five years travel to all countries except Cuba, mainland China, North Korea, and North Vietnam. Under passport regulations, this passport may be used for lawful travel within the period of validity whenever and as often as desired without further notification to the Department of State or any other Government Agency. The Passport Office does not receive information as to whether or when an issued passport is used for foreign travel.

391

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90 7 JUN 5 1972



99-5505-298
ENCLOSURE

ENCLOSURES TO BUREAU
FROM WFO

Re: LESLIE EARL KRUSE
AR

2 - Photos of Subject

WFO 92-791

Letter dated 4/6/70

92-5505-298



LESLIE EARL KRUSE
April 1965

NR021 CG CODE

747PM NITEL 3-31-70 BCK

TO DIRECTOR (92-5505)

LOS ANGELES

FROM CHICAGO (92-1037) 2P

Mr. Tolson
Mr. DeLoach
Mr. Walters
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

LESLIE EARL KRUSE AKA. AR. OO: CHICAGO.

AS BUREAU AWARE, SAN DIEGO INFORMANT HAS ADVISED THAT CHICAGO GROUP IS EXPECTED TO SEND REPRESENTATIVE TO CALIFORNIA TO CONTACT JOHN ROSELLI RE HIS DEALINGS WITH MOE DALITZ.

FOR INFO LA AND SD, KRUSE IS UPPER ECHELON LEADER ORGANIZED CRIME CHICAGO WHO HAS BEEN USED EXTENSIVELY BY SAM GIANCANA TO REPRESENT HIM ALL OVER THE WORLD.

[redacted]

[redacted], CHICAGO, ADVISED MARCH THIRT[redacted] LAST THAT ON MARCH SIXTEEN LAST KRUSE LEFT CHICAGO AREA FOR

END PAGE ONE

b7D

REC. 29 92-5505-299 APR 3 1970

57 APR 13 1970

CALIFORNIA AND ON MARCH THIRTY CONTINUED TO REMAIN THERE.

KRUSE BELIEVED TO BE IN PALM SPRINGS AREA.

LA REQUESTED TO BE ALERT FOR PRESENCE OF KRUSE THERE AND TO CONSIDER POSSIBILITY HE IS CHICAGO REPRESENTATIVE ASSIGNED TO CONTACT ROSELLI.

AM COPY SAN DIEGO.

END

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 4/14/70

FROM : SAC, MFO (92-791) (RUC)

SUBJECT: LESLIE EARL KRUSE, aka
AR

Re MFO let to Bureau, 4/6/70.

Enclosed for the Bureau and Chicago are two copies of a more recent photograph of the subject, obtained from the files of the United States Passport Office, Washington, D. C.

ENCLOSURE

REC-28 92-5505-300

2 - Bureau (Enc. 2)
2 - Chicago (92-1037) (Enc. 2)
1 - MFO
BAD/bd
(5)

APR 14 1970

F338 APR 20 1970

NINE

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108